

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

FILED

MICHAEL S. FRANCIS,
WILLIAM E. CARPENTER, JR.,
MICHAEL H. SCHWARTZ,

Plaintiffs,

v.

PENPOWER, INC.,
TAMROCK CORP.,

Defendants.

DEC 10 1999

U.S. DISTRICT COURT
CLARKSBURG, WV 26301

No. 5:99cv151

NOTICE OF REMOVAL

Defendants PennPower, Inc. and Tamrock Corp., reserving all defenses and objections, pursuant to 28 U.S.C. §§ 1441(a) hereby file this notice of removal of the civil action captioned Michael S. Francis, William E. Carpenter, Jr. and Michael H. Schwartz v. PennPower, Inc. and Tamrock Corp., Civil Action No. 99-C-71-M, filed in the Circuit Court of Wetzel County, West Virginia on the following grounds:

1. Plaintiffs commenced the above-described civil action by filing a complaint against Defendants in the Circuit Court of Wetzel County, West Virginia, captioned Michael S. Francis, William E. Carpenter, Jr. and Michael H. Schwartz v. PennPower, Inc. and Tamrock Corp., Civil Action No. 99-C-71-M. A copy of the Complaint, Summons and all other process, pleadings or orders that have been served on Defendants in this action are attached hereto as Exhibit "A."

2. Defendant PennPower, Inc. is an entity organized under the laws of the State of Delaware, which at this time does no business, has no principal place of business, and still exists as a corporate entity solely for the purpose of defending the claims asserted by Plaintiffs in their complaint in this action. Complaint at ¶ 4.

3. Defendant Tamrock Corp. is an entity organized under the laws of Finland with its principal place of business located in Finland. Complaint at ¶ 5.

4. Plaintiff Michael S. Francis is an individual and a citizen of the Commonwealth of Pennsylvania. Complaint ¶ 1.

5. Plaintiff William J. Carpenter is an individual who brings these claims in his capacity as the executor of the estate of Jenny L. Francis. At the time of her death, Jenny L. Francis was a citizen of the State of South Carolina. Complaint ¶ 2.

6. Plaintiff Michael H. Schwartz is an individual and a citizen of the Commonwealth of Pennsylvania. Complaint ¶ 3.

7. The complaint seeks damages from Defendants, exclusive of interest and costs, in the amount of \$250,000.00. Complaint at p. 9 (Wherefore clause).

8. Accordingly, this action is one over which this Court has jurisdiction pursuant to 28 U.S.C. § 1332(a)(3) based upon diversity of citizenship. This action therefore may be removed to this Court pursuant to 28 U.S.C. § 1441(a).

9. This Notice of Removal is timely filed under 28 U.S.C. § 1446(b) in that this Notice of Removal is filed within thirty days of Defendants' receipt, through service or otherwise, of a copy of the Complaint. The Complaint was served upon the Secretary of State

of the State of West Virginia on November 12, 1999. Defendant PennPower, Inc. first received a copy of the Complaint on November 18, 1999. Defendant Tamrock Corp. first received a copy of the Complaint on November 19, 1999, through the statutory agent for Tamcorp, Inc., a company related to Tamrock Corp.

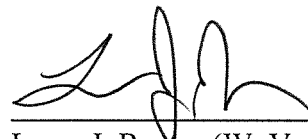
10. A copy of this Notice of Removal is being filed with the Clerk of the Court of the Circuit Court of Wetzel County, West Virginia and served upon all adverse parties in accordance with 28 U.S.C. § 1446(d).

11. This Notice of Removal is being filed on behalf of all defendants and all defendants consent in the removal of this action to this Court.

WHEREFORE, Defendants PennPower, Inc. and Tamrock Corp. hereby remove the action pending in the Circuit Court of Wetzel County, West Virginia to this Court as provided in 28 U.S.C. §§ 1332, 1441 & 1446.

Of Counsel

Dated: December 10, 1999



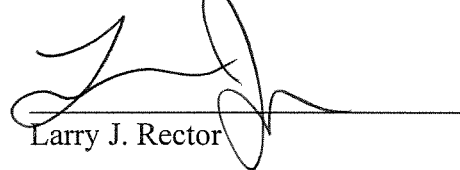
Larry J. Rector (W. Va. Bar No. 6418)
STEPTOE & JOHNSON
Bank One Center
P. O. Box 2190
Clarksburg, WV 26302-2190

Attorneys for Defendants
PennPower, Inc. and Tamrock Corp.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing Notice of Removal was served by United States first class mail, postage prepaid, upon the following:

Dana F. Eddy
Shawn L. Reed
Jackson & Kelly PLLC
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322



Larry J. Rector

Dated: December 10, 1999

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KEN HECHLER
Secretary of StateMARY P. RATLIFF
Deputy Secretary of StateJAN CASTO
Deputy Secretary of StateCATHERINE FREROTTE
Executive AssistantTelephone: (304) 558-6000
Corporations: (304) 558-8000
FAX: (304) 558-0900
e-mail: vhaught@secretary.state.wv.us

STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K
1900 Kanawha Blvd., East
Charleston, WV 25305-0770WILLIAM H. HARRINGTON
Chief of StaffJUDY COOPER
Director, Administrative LawPenney Barker
Supervisor, Corporations(Plus all the volunteer
help we can get)

LEGAL NOTICE

November 12, 1999

Civil Action 99-C-71-M

Tamrock Corp
Corporation Trust company
1209 Orange Street
Wilmington, DE 19801

I am enclosing

☐ summons
☐ notice
☐ order
☐ petition
☐ motion
☐ interrogatories
☐ suggestions
☐ subpoena duces tecum
☒ 1 summons and complaint
☐ 3rd party summons & complaint
☐ summons returned from post office

☐ original
☐ affidavit
☐ answer
☐ cross-claim
☐ counterclaim
☐ request
☐ demand
☐ default judgement
☐ complaint
☐ notice of mechanic's lien
☐ suggestee execution

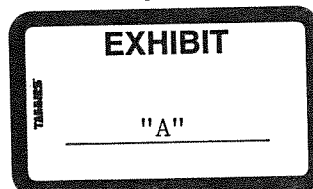
which was served on the Secretary at the State Capitol in his capacity as your statutory attorney-in-fact.
According to law, I have accepted service of process.

☐ in your name and on your behalf.
☐ in the name and on behalf of your corporation.
☒ in the name and on behalf of your unauthorized foreign corporation.
☐ in the name and on behalf of your authorized insurance company.
☐ in the name and on behalf of

131587

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in your name and on your behalf as your attorney-in-fact. Please address any questions about these documents directly to the court or to the plaintiff's attorney, shown in the enclosed paper. Please, do not call the Secretary of State's Office.

Sincerely,

Vicki Haught
Supervisor

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CT System

Service of Process Transmittal Form
Wilmington, Delaware

11/23/1999

Courier Via Federal Express (2nd Day)

TO: Mr. John Walsh
Controller
Tamcorp, Inc.
345 Patton Drive, S.W.
Atlanta, Georgia 30336

Tel. No. 1-404-505-0005

RE: PROCESS SERVED IN DELAWARE

FOR Tamrock Corporation Domestic State: De
True Name : TAMCORP, INC.

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

1. TITLE OF ACTION: Michael S. Francis, et al., Pltfs. vs Pennpower, Inc., et al., including Tamrock Corp., Defts.
2. DOCUMENT(S) SERVED: Notice, Summons, Complaint, Exhibits
3. COURT: In the Circuit Court of Wetzel County, West Virginia.
Case Number 99-C-71-M
4. NATURE OF ACTION: Complaint for Declaratory Relief and Damages - Breach of Contract.
5. ON WHOM PROCESS WAS SERVED: The Corporation Trust Company, Wilmington, Delaware
6. DATE AND HOUR OF SERVICE: By Certified mail on 11/19/1999 with Postmarked Date 11/15/1999
7. APPEARANCE OR ANSWER DUE: 30 days after service
8. ATTORNEY(S): Dana F. Eddy
Jackson & Kelly, PLLC
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322
9. REMARKS: Name discrepancy noted. Please note the enclosed documents were served on the Secretary of State of West Virginia on November 12, 1999. Fedex returned the papers indicating need better recipient address not listed with 411 or not in phone book. Attempted to reach via telephone # as shown on our records, & receptionist informed that Tamcorp office were in Atlanta, GA /resending

SIGNED CT Corporation System

PER Joanne A. Santiago /SR
ADDRESS 1209 Orange Street
Wilmington, DE 19801
SOP WS 0002671616

Information contained on this transmittal form is recorded for CT Corporation System's record keeping purposes only and to permit quick reference for the recipient. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information that can be obtained from the documents themselves. The recipient is responsible for interpreting the documents and for taking the appropriate action.

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IN THE CIRCUIT COURT OF WETZEL COUNTY, WEST VIRGINIA

MICHAEL S. FRANCIS, an individual,
WILLIAM E. CARPENTER, JR., in his
capacity as the executor of the estate of
JENNY L. FRANCIS, deceased, and
MICHAEL H. SCHWARTZ, an individual,

Plaintiffs,

v.

CIVIL ACTION NO.: 99-C-71-M

PENNPOWER, INC., a Delaware
corporation, and TAMROCK CORP.,
formerly known as TAMPELLA CORP., a
Finnish corporation,

Defendants.

COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES

For their respective complaint against the above-named defendants, the plaintiffs
MICHAEL S. FRANCIS, WILLIAM E. CARPENTER, JR., in his capacity as the executor of
the estate of JENNY L. FRANCIS, and MICHAEL H. SCHWARTZ, and each of them, allege
and aver:

PARTIES

1. MICHAEL S. FRANCIS is an individual who is a resident of the
Commonwealth of Pennsylvania with his principal residence situated within Allegheny County
("Mr. Francis"). At times relevant to the matters set forth in the complaint, Mr. Francis was
a resident of the State of West Virginia with his principal residence situated within Kanawha
County.

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2. WILLIAM J. CARPENTER is an individual who is serving as the executor of the estate of JENNY L. FRANCIS who, at the time of her death, was a resident of the State of South Carolina ("Mr. Carpenter"). At times relevant to the matters set forth in the complaint, JENNY L. FRANCIS was a resident of the State of West Virginia with her principal residence situated within Kanawha County.

3. MICHAEL H. SCHWARTZ is an individual who is, and at all times relevant to the matters set forth in the complaint was, a resident of the Commonwealth of Pennsylvania with his principal residence situated within Allegheny County ("Mr. Schwartz").

4. PENNPOWER, INC., formerly known as SAWCO CORPORATION, is a business corporation organized under the laws of the State of Delaware which did business in the Commonwealth of Pennsylvania at offices or facilities situated in Williamsport, Pennsylvania, but which, at this time, does no business, has no principal office, and exists as a corporate entity solely for the purpose of defending the claims for relief set forth in this complaint ("PENNPOWER").

5. TAMROCK, CORP., formerly known as TAMPELLA CORP., is a foreign corporation organized under, and existing pursuant to, the laws of Finland but which maintains, and at all times relevant to the matters set forth in this complaint maintained, offices or agents in the Commonwealth of Pennsylvania for purposes which include, but is not limited to, resolving its and PENNPOWER's liabilities to the plaintiffs in this civil action ("Tampella").

JURISDICTION

6. Pursuant to the provisions of W. Va. Code § 31-1-15 and W. Va. Code § 56-3-33, the Court has jurisdiction over the person of each of the defendants in that the

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defendants have transacted business in this state by reason of their execution of a contract that has been, and is to be, performed in the State of West Virginia.

VENUE

7. This Court is a proper venue for the prosecution of the matters set forth in this complaint for the reason that the contractual obligations which are the subject matter of this civil action are required to be performed within this venue.

CAUSE OF ACTION

8. On or about the date of November 15, 1993, Mr. Francis, JENNY L. FRANCIS ("Ms. Francis"), and Mr. Schwartz, individually and collectively (the "Plaintiffs"), executed a STOCK OPTION AGREEMENT to which PENNPOWER was a party. A true copy of the STOCK OPTION AGREEMENT is attached to, and incorporated in, this complaint as Exhibit "1."

9. The STOCK OPTION AGREEMENT related to the sale of the shares of stock of MID-ATLANTIC ENERGY OF PA, INC., a corporation duly organized under, and existing pursuant to, the laws of the State of West Virginia ("MAE").

10. Before the date of the execution of the STOCK OPTION AGREEMENT, Mr. Francis, Ms. Francis, and Mr. Schwartz, collectively, held title to all the issued and outstanding shares of the stock of MAE.

11. MAE was the general partner of PINEY CREEK LIMITED PARTNERSHIP which was a limited partnership organized pursuant to, and existing under, the laws of the Commonwealth of Pennsylvania ("Piney Creek").

12. Piney Creek held title to a small power production facility situated in Piney Township, Clarion County, Pennsylvania (the "Project").

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13. By reason of the execution of the STOCK OPTION AGREEMENT, PENNPOWER was to acquire title to all the issued and outstanding shares of MAE ("Shares").

14. As set forth in the provisions of the STOCK OPTION AGREEMENT, PENNPOWER held an option to purchase the Shares, and Mr. Francis, Ms. Francis, and Mr. Schwartz had the right to cause PENNPOWER to purchase the Shares.

15. Pursuant to the provisions of the STOCK OPTION AGREEMENT, Mr. Francis, Ms. Francis, and Mr. Schwartz invoked their right to require PENNPOWER to purchase the Shares.

16. Mr. Francis, Ms. Francis, and Mr. Schwartz did, in fact, transfer title to the Shares to PENNPOWER.

17. Pursuant to the provisions of the STOCK OPTION AGREEMENT, the amount of \$250,000 represented the final installment of the consideration for the Shares which was to be paid to Mr. Francis, Ms. Francis, and Mr. Schwartz when three conditions precedent were satisfied (the "Additional Payment").

18. The first condition precedent was that the lender for the Project and Tampella had to execute a written agreement effectively releasing Tampella from a guaranty of the funding of cost overruns incurred by the Project at certain stages of the Project, including the commencement stage of its commercial operation and the correction stage of certain construction defects (the "First Condition").

19. The second condition precedent was that the lender had to agree to permit reserve funds or revenues of Piney Creek to be used for the payment of certain operational and maintenance charges of the Project's operator which was, and remains, a subsidiary of Tampella (the "Second Condition").

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20. The third condition precedent was that no default was to be declared between the lender and Piney Creek requiring additional capital contributions from the remaining partners of Piney Creek by reason of Piney Creek's correction of an error that had resulted in an organizational cost being improperly listed as an account receivable from MAE (the "Third Condition").

21. In the express provisions of the STOCK OPTION AGREEMENT, Tampella guaranteed the payment of the Additional Payment by PENNPOWER to Mr. Francis, Ms. Francis, and Mr. Schwartz and evidenced its guaranty by signing the STOCK OPTION AGREEMENT.

22. To the date of the filing of this complaint, PENNPOWER has not made the Additional Payment.

CLAIMS FOR RELIEF

FIRST COUNT **(Declaratory Relief)**

23. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

24. The Plaintiffs are informed and, therefore, believe that the First Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

25. The Plaintiffs are informed and, therefore, believe that the Second Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

26. The Plaintiffs are informed and, therefore, believe that the Third Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

27. To the extent that any one of the First Condition, the Second Condition, or the Third Condition has not been formally or technically satisfied, the Plaintiffs believe that, if PENNPOWER or Tampella had acted in good faith and with due diligence, the conditions could and would have been formally or technically satisfied by this time.

28. An implied covenant in the STOCK OPTION AGREEMENT was that SAWCO or Tampella would act in good faith toward, and would fairly deal with, the Plaintiffs requiring, therefore, that PENNPOWER or Tampella, with all due diligence and commitment, would cause the First Condition, the Second Condition, and the Third Condition to be fully and completely satisfied at the earliest possible date.

29. The Plaintiffs request the declaration of this Court with respect to the rights of the parties under the STOCK OPTION AGREEMENT including, but not limited to, a declaration that the conditions precedent to the Additional Payment have been or should have been satisfied and that the Additional Payment is due and owing by PENNPOWER to the Plaintiffs at this time.

SECOND COUNT
(Breach of Contract)

30. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

31. Notwithstanding its request for a declaration of the parties' respective rights, the Plaintiffs affirmatively allege that the Additional Payment is due and owing by SAWCO to the plaintiffs at this time and that PENNPOWER has refused to make the Additional Payment notwithstanding the Plaintiffs' demand for the Additional Payment.

32. Accordingly, PENNPOWER has breached its contractual obligations to the Plaintiffs.

33. Plaintiffs have been damaged by the actions and conduct of PENNPOWER in an amount equal to the Additional Payment plus accrued, and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

THIRD COUNT
(Breach of Contract)

34. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

35. Tampella has guaranteed the payment by PENNPOWER of the Additional Payment.

36. PENNPOWER has refused to pay the Additional Payment.

37. Accordingly, Tampella is obligated to pay to the Plaintiffs the Additional Payment plus accrued, and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

FOURTH COUNT

(Breach of the Covenant of Good Faith and Fair Dealing)

38. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

39. If the Court declares that the First Condition, the Second Condition, and the Third Condition (the "Conditions") have not been fulfilled or should not be deemed to be fulfilled, this declaration shall have necessarily resulted from the failure of PENNPOWER and Tampella to fulfill the Conditions.

40. Pursuant to the STOCK OPTION AGREEMENT, PENNPOWER and Tampella, and each of them, had an obligation to perform the express covenants of the agreement in good faith and in fairness to the Plaintiffs.

41. PENNPOWER and Tampella have, in fact, made no attempt to satisfy the Conditions and, indeed, may have fashioned or manipulated the sale of the stock of MAE in a manner that purposefully avoided the satisfaction of the Conditions.

42. PENNPOWER and Tampella have taken actions to prevent the Plaintiffs from receiving the Additional Payment, including, but not limited to, refusing to inform the Plaintiffs regarding the sale of the shares of MEA and refusing to divulge the terms and conditions of the sale.

43. PENNPOWER and Tampella have failed to act in good faith and in fairness to the Plaintiffs in contravention of the implied covenant in the STOCK OPTION AGREEMENT to do so with respect to fulfilling the Conditions.

44. The Plaintiffs have been injured by reason of the breach of the covenant of good faith and fair dealing and, as a result, PENNPOWER and Tampella, and each of them, is obligated to pay to the Plaintiffs an amount equal to the Additional Payment plus accrued,

and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

WHEREFORE, the Plaintiffs, and each of them, hereby pray for the following relief with respect to the complaint:

1. That with respect to the First Count, the Court enter its judgment declaring that all conditions precedent to the Additional Payment have been, or should have been, satisfied, and that the Additional Payment is, at this time, due and owing to the Plaintiffs, and each of them, by PENNPOWER;

2. That with respect to the Second Count, the Court enter its judgment in favor of the Plaintiffs and against PENNPOWER awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys;

3. That with respect to the Third Count, the Court enter its judgment in favor of the Plaintiffs and against Tampella awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys;

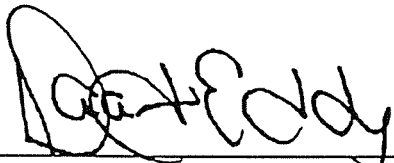
4. That with respect to the Fourth Count, the Court enter its judgment in favor of the Plaintiffs and against each of Tampella and PENNPOWER awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys; and

5. That with respect to all counts of the complaint, the Court award such other and further relief to the Plaintiffs as the Court deems to be just and proper.

A TRIAL BY JURY IS DEMANDED AS TO ALL ISSUES TRIABLE TO A JURY.

MICHAELS. FRANCIS, an individual, WILLIAM E. CARPENTER, JR., in his capacity as executor for the estate of JENNY L. FRANCIS, deceased, and MICHAEL H. SCHWARTZ, an individual

By Counsel



DANA F. EDDY (W. Va. Bar # 4848)
SHAWN L. REED (W. Va. Bar # 6801)
JACKSON & KELLY PLLC
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322
(304) 340-1307

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT, effective as of November 15, 1993 (the "Option Agreement"), is entered into by and among SAWCO CORPORATION, a Delaware corporation ("Sawco"), MID-ATLANTIC ENERGY OF PA, INC., a West Virginia corporation ("MAE") and MICHAEL S. FRANCIS, JENNY L. FRANCIS, and MICHAEL H. SCHWARTZ (hereinafter individually referred to as a "Seller" and collectively referred to as the "Sellers").

WHEREAS, Sellers own beneficially and of record those shares of capital stock of MAE as set forth opposite their respective individual names on Exhibit A attached hereto, which stock in the aggregate constitutes all of the issued and outstanding shares of MAE (collectively, the "Shares"); and

WHEREAS, MAE is the sole general partner of PINEY CREEK LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("PCLP"), of which Sawco and its affiliate, TAMPELLA POWER CORPORATION, a Delaware corporation ("TPC"), are the sole limited partners; and

WHEREAS, PCLP owns a small power production facility situate in Piney Township, Clarion County, Pennsylvania ("Project"); and

WHEREAS, on or about November 3, 1993, TPC and Sellers executed a Memorandum of Agreement in Principle which outlined the terms of an option agreement under which TPC or its affiliate could acquire, or be obligated to acquire, the Shares from Sellers ("Letter of Intent"); and

WHEREAS, the parties hereto wish to set forth the terms and conditions as contemplated by the Letter of Intent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Recitals. The foregoing recitals are incorporated into the body of this Agreement and made a part hereof.

2. Right to Call Shares.

(a) Grant. Sellers hereby grant to Sawco, as the designee of TPC under the Letter of Intent, all the rights and obligations reserved to TPC thereunder (except for such obligations as are assumed by Tampella under Paragraphs 7, 17 and 19(c) hereof), including, without limitation, the option to purchase from Sellers during the period commencing this date and extending to and including June 30, 1994 (the "Call Term") all, and not less than all, of the Shares (the "Call").

(b) Consideration. In consideration of the grant of the Call, and to induce same, Sawco is paying to Sellers contemporaneous with the execution of this Agreement, a option fee of \$500,000 (allocated among Sellers in accordance with their relative interests in MAE as set forth on Exhibit A), which amount shall be applied against the first installment of the purchase price for the Shares when

and if acquired hereunder (either by Call or Put) and is otherwise nonrefundable. The option fee is being paid by wire transfer to Sellers' designated account(s) at the Bank of Paden City, Paden City West Virginia.

(c) Call Purchase Price. The aggregate purchase price (the "Call Exercise Price") to be paid by Sawco for the Shares upon exercise of the Call is \$1,355,000, payable (i) \$500,000 by application of the option fee theretofore paid under subparagraph (b) above, (ii) \$655,000 in guaranteed funds to Sellers (allocated among Sellers in accordance with their respective interests in MAE as set forth on Exhibit A), upon the closing on the Call, and (iii) the balance of \$200,000 in guaranteed funds to Sellers (allocated as aforesaid) upon the earlier of (A) the sale of the limited partners' equity in PCLP, (B) a refinancing of the Project which produces excess cash (i.e. any amount by which the proceeds of such refinancing exceeds the sum of the payoff of the prior indebtedness and the costs incurred to effect the refinancing) at settlement to PCLP, but only to the extent of such excess cash less than \$200,000 (with the balance of such \$200,000, if any, to be paid on June 30, 1994) or (c) June 30, 1994.

(d) Nature. The grant of the Call is irrevocable and exclusive.

3. Right to Put Shares.

(a) Grant. Sawco hereby grants to Sellers (acting together) the right to require Sawco to purchase at any time during the period commencing January 1, 1994, and extending to and including June 30, 1994 ("Put Term") all, and not less than all, of the Shares ("Put").

(b) Put Purchase Price. The aggregate purchase price ("Put Exercise Price") to be paid by Sawco for the Shares upon exercise of the Put is as follows:

(i) If at the time of the exercise of the Put, all of the Conditions (hereinafter defined) have been satisfied, the Put Exercise Price shall be the same as the Call Exercise Price and paid in the same manner, each as described in Paragraph 2(c) above.

(ii) If at the time of the exercise of the Put, all of the Conditions are not satisfied, the Put Exercise Price shall be \$1,105,000, payable (A) \$500,000 by application of the option fee theretofore paid under Paragraph 2(b) above, (B) \$405,000 in guaranteed funds to Sellers (allocated among them in accordance with their relative interests in MAE as set forth on Exhibit A) upon the closing on the Put, and (C) the balance of \$200,000 in accordance with the provisions of Paragraph 2(c)(iii) above. An additional \$250,000 shall be payable in guaranteed funds

(allocated as aforesaid) if and when all of the Conditions have thereafter been satisfied.

(ii) The "Conditions" are:

A. The execution by Swiss Bank Corporation ("SBC") as lead lender to the Project of a written agreement with TAMPELLA CORP, Tampere, Finland, a Finnish corporation ("Tampella"), on terms which require the payment or posting of no additional moneys or recourse to SBC by PCLP, TPC, Sawco, Tampella, or any of their affiliates (including, without limitation, MAE after the acquisition of the Shares as contemplated in this Option Agreement), to the effect that SBC will cause a release of Tampella's entire \$2,000,000 cost overrun guaranty upon (aa) commercial conversion of the Project and (bb) remediation of certain Project construction defects (outlined in the SE Technologies Deficiency Corrective Action Report dated August 13, 1993 and currently in possession of all parties hereto) by the contractor or Sawco within a budget reasonably determined by SBC.

B. The agreement by SBC, on terms reasonably acceptable to Sawco, to release PCLP funds and/or Project operating revenues for the payment of the Project operator's O&M charges from and after March 6, 1993 (other than Subordinated O&M charges which will be

paid pursuant to the terms of applicable Project documents).

C. That by the date when the latter of the events described in clauses (A) or (B) has occurred, SBC has not asserted a default or breach by PCLP of PCLP's Credit Agreement with SBC as a result of the reclassification of PCLP's account receivable from MAE as further described in Paragraph 10, which would require TPC, Sawco, Tampella or any of their affiliates (including, without limitation, MAE after the acquisition of the Shares as contemplated in this Option Agreement) to provide additional capital to PCLP to eliminate such account receivable.

4. Exercise of Call or Put.

(a) Subject to the conditions set forth herein, the Call or Put may be exercised by Sawco or Sellers, as the case may be, for all and not less than all of the Shares during the Call Term or Put Term, as the case may be. In the event Sawco or Sellers elect to exercise the Call or Put, as the case may be, Sawco or Sellers, as the case may be, shall send a written notice of exercise to Sellers or Sawco, as the case may be, specifying the place and date (not later than five (5) business days nor earlier than three (3) business days from the date such notice is mailed) of such closing.

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(b) Sellers, and each of them, represent(s) that he or she has not, and prior to the expiration of the Call or Put will not, take any action which would have the effect of preventing or disabling Sellers from delivering the Shares to Sawco upon exercise of the Call or otherwise preventing or disabling Sellers from performing their obligations or Sawco from exercising its rights under this Call. Without limiting the generality of the foregoing, Sellers agree not to (i) take any action which would have the effect of changing any of Sellers' voting or equity interests in MAE, or (ii) permit MAE, (A) to issue any shares of its capital stock, or issue or create any warrants, obligations, subscriptions, options, or convertible securities, or other commitments under which any additional shares of its capital stock may be authorized or issued, or transferred from treasury or (B) sell, dispose or otherwise transfer any of its interest in PCLP.

5. Delivery. At the closing on the Put or Call hereunder, (a) Sawco shall pay Sellers the applicable portion of the Call or Put Exercise Price for the Shares and (b) each Seller shall deliver to Sawco stock certificates duly executed in transferable form (or with appropriate stock powers attached) representing such Seller's respective shares so purchased.

6. Affirmative Covenants of Sellers.

(a) Commencing on the date hereof and extending to an through December 31, 1993, Sellers shall cause MAE to work

cooperatively with Sawco and use best efforts to resolve major Project issues in a manner reasonably satisfactory to Sawco, such efforts to include (by way of illustration and not limitation):

(i) negotiating a settlement with FruCon of all contractor issues in a manner consistent with FruCon's September 8, 1993 settlement offer (with such additions and modifications as are reasonably acceptable to both MAE and Sawco);

(ii) negotiating a settlement with SBC which allows for a release of PCLP funds and/or Project operating revenues to pay operating costs to facilitate payment of Project costs such as those outlined in Paragraph 7(a), (b) and (c), under terms and conditions reasonably acceptable to MAE and Sawco;

(iii) achieving the Conditions;

(iv) resolving the Project's ash problem; and

(v) producing an agreement by all necessary parties with respect to the increase in Project output by an additional 3 megawatts or additional total megawatt hours per annum with up to 100% capacity factor at 30 megawatt capacity.

During such period, Sellers shall continue to devote their time and attention to MAE and PCLP affairs in a manner consistent with past practice.

(b) Commencing January 1, 1994, and thereafter for the duration of this Agreement, Sellers shall cause MAE to serve as Sawco's agent, and take actions relating to PCLP management only as directed by Sawco.

(c) Commencing this date and extending for the duration of this Agreement, Sellers shall cause MAE and in turn PCLP to conduct business only in the ordinary course of business.

(d) Upon closing on the Put or Call hereunder, (i) the assets of MAE will consist solely of (A) an equity investment in PCLP (as general partner) having a net cost to MAE of \$155,000 and (B) any indebtedness due from, or claim against, PCLP then held or at any time held by MAE or any affiliate of MAE since the inception of PCLP and not theretofore unconditionally satisfied and (ii) the liabilities will consist solely of those attributable to PCLP as then reflected on the books and records of PCLP for which MAE is contingently liable as general partner as identified in Paragraph 7(a), (b) and (c). Upon such closing and transfer of Shares, MAE shall have no outstanding contractual commitments or obligations to any party other than those obligations to PLCP outlined in the SBC Credit Agreement and related documents dated as of October 1, 1990, as amended.

(e) From the date hereof to the effective date of transfer of the Shares, Sellers shall take all actions

necessary to maintain MAE's "S" Corporation status as further described in Paragraph 11(1).

7. Affirmative Covenants of Tampella.

(a) On or before December 1, 1993 Tampella shall cause payment of certain scheduled and accrued third-party liabilities of PCLP (on behalf of PCLP and the Project) to include Orrick Harrington, Dewey Ballentine, Deloitte & Touche and legal costs for the FruCon (CPC) arbitration, such liabilities currently total approximately \$162,000, as well as third-party liabilities of PCLP which are reasonably and necessarily incurred for fair value, from and after the date hereof and continuing for the duration of this Agreement.

(b) From the date hereof and extending until transfer of the Shares, Tampella shall cause payment of Project G&A costs to MAE in the budgeted amount of \$13,333 per month. Fractional months' G&A will be prorated.

(c) From the date hereof, Tampella shall indemnify Sellers from and against liabilities to FruCon (CPC) or SBC for legal (White & Case) or technical (R.W. Beck) expenses related to the Project which may be adjudicated against Sellers with respect to a court-determined piercing of the MAE corporate veil and as a result of MAE's activities as the general partner of PCLP. Such indemnification shall not, however extend to liabilities arising out of a breach of MAE of this Agreement. The defense of any indemnified

liability issue hereunder (including the defense of any veil-piercing issue) shall be controlled and paid for by Tampella. Additionally, from and after this date, Sawco and each affiliate thereof (i.e. Tampella Services, Inc. and TPC) hereby waives any claim or action against MAE or Sellers for actions taken at any time by MAE or Sellers in the carrying out of MAE's obligations as general partner of PCLP which are taken in good faith and not in violation of this Agreement.

(d) The parties understand and agree that the costs or indemnified liabilities which Tampella shall cause to be paid under this Paragraph 7 are costs or liabilities of PCLP and that, if moneys are advanced by Tampella, or by Tampella through its affiliate, to PCLP and/or MAE for payment of these costs or liabilities, then, if and when funds are made available to PCLP and/or MAE to cover such costs or liabilities, or any of them, MAE shall cause those moneys to be paid over to Tampella or its affiliate, as appropriate, as reimbursement.

8. Conditions of Closing on Put or Call Option. The following shall be conditions of closing on the Put or Call hereunder:

(a) Repayment to MAE of any shareholder loans and advances due from affiliates of MAE; and

(b) MAE shall have made no distribution to Sellers during the period commencing January 1, 1993, and extending

to immediately prior to the transfer of the Shares. The parties acknowledge that immediately prior to such transfer MAE shall then make a distribution to Sellers as described in Paragraph 9 below. In no event and at no time shall MAE have distributed or assigned to Sellers or to any other party, any claim against, or obligation of, PCLP other than that management fee described in Paragraph 7(b) above for the current monthly period, which as of closing on the Put or Call hereunder is accrued but unpaid.

9. Distribution of Certain Assets by MAE. Between the time of the notice of exercise and closing on the Put or Call hereunder, but not otherwise, Sellers shall have the right to cause MAE to distribute to them as the shareholders thereof, any cash of MAE and/or indebtedness due MAE from affiliates of MAE other than PCLP, with the sole exception of a current period fee described in Paragraph 7(b), which as of closing on the Put or Call hereunder shall have been accrued but unpaid.

10. Financial Representations and Covenants of Sellers.

(a) The parties acknowledge that PCLP has currently reflected on its books of account an account receivable in the amount of approximately \$409,000. MAE and Sellers advise and represent and Sawco acknowledges that the classification of such amount as an account receivable is erroneous and that such amount should be reclassified as capitalized organization costs of PCLP.

(b) The parties acknowledge that by law the taxable year of MAE shall terminate with the transfer of the Shares as contemplated herein and consequently Sellers shall report the items of income and expense of MAE from the inception of its fiscal year to the date of such transfer ("Stub Period"). Secondly, the parties agree that if lawful, they will cause the Partnership to allocate to MAE for inclusion in the Stub Period, such percentage of the Partnership's net income/loss for the Stub Period (or each portion thereof) as established under the applicable provisions of the PCLP partnership agreement.

11. Representations and Warranties of Sellers. Each Seller hereby represents and warrants (which shall survive closing on the Put or Call hereunder and any investigation by Sawco and affiliates), and at the closing for the purchase of the Shares by Put or Call each Seller will represent and warrant (which shall survive as aforesaid), that:

(a) Seller is the holder of record of the number of Shares transferred to Sawco at the closing, and such Shares are free and clear of all liens, encumbrances, voting agreements, shareholder agreement, equities, preemptive rights, options, claims, charges and restrictions whatsoever;

(b) Such Seller has the power, right, capacity and authority to execute and deliver this Option Agreement, and to sell, transfer and deliver her or his respective Shares

to Sawco in accordance with the terms, covenants and conditions of this Option Agreement;

(c) This Option Agreement has been duly and validly executed and delivered by such Seller and constitutes a valid and binding agreement of the Seller enforceable against Seller in accordance with its terms;

(d) Such Seller is not subject to or bound by any agreement or judgment, order, writ, prohibition, injunction or decree of any court or other governmental body which would prevent the execution, delivery or performance of this Option Agreement, or the sale, transfer or delivery of the Shares to Sawco as contemplated hereby;

(e) The Shares so transferred by such Seller have been duly authorized, validly issued, fully paid and are nonassessable;

(f) MAE owns the sole general partner interest in PCLP and such is free and clear of all liens, encumbrances and, to the best knowledge of Sellers, any claims whatsoever.

(g) MAE is duly incorporated and organized and validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with full corporate power to own or lease and operate its assets and to carry on its business in the manner in which such business is now being conducted, and is in good standing and duly qualified as a foreign corporation in each other jurisdiction where its failure to obtain and maintain such good standing and

qualification would have a material and adverse effect on its conditions (financial or otherwise), assets or business.

(h) MAE is authorized to issue 20,000 shares of common shares, each with a par value of \$10, of which 6,700 shares are issued and outstanding. The name of and number of shares owned by each of the shareholders of record of such corporation as of the date hereof and as of the closing date on the Put or Call is set forth on Exhibit A. No person, other than as shown on Exhibit A, owns of record or beneficially any of the capital stock of MAE and all of such capital stock will be owned by the persons set forth on Exhibit A on the closing date on the Put or Call. The capital stock shown on Exhibit A comprises all of the issued and outstanding capital stock of MAE. All of the capital stock is validly issued and outstanding, fully paid and nonassessable, and no such capital stock was issued in violation of preemptive rights, nor does any shareholder have a claim to preemptive rights. There is not outstanding any option, warrant or right to purchase from MAE or from any shareholder of MAE, or to require MAE to issue, any capital stock or other security convertible into or exchangeable for shares of such stock or any other security of MAE.

(i) Except as specified in Paragraph 10, the Forms 1120S for MAE for 1990 through 1992, inclusive, the Forms 1065 for PCLP for 1990 through 1992, inclusive, the state

tax returns filed by MAE for such period, the audited financial statements for PCLP and consolidated financial statements for MAE and PCLP for fiscal years 1990 through 1992, inclusive, and the internally generated profit and loss statement for MAE and for PCLP for the period January 1, 1993, through September 30, 1993 (collectively "Financial Statements"), heretofore provided to counsel to Sawco are true, correct and complete. The Financial Statements fairly and accurately present the financial condition of the relevant entity at the respective dates thereof and for the period covered thereby. Each of the financial Statements has been prepared from the books and records of the respective entity based upon generally accepted accounting principles consistently applied.

(j) Immediately prior to the closing date on the Put or Call, those assets of MAE described in Paragraph 9 shall have been distributed by MAE to Sellers (and no others), and the remaining assets and the liabilities of MAE shall be limited to those described in Paragraph 6(d) above. All of the costs of such distributions and assignments (including, but not limited to, Federal and state income taxes, sales, use and transfer taxes, attorneys' fees and other costs) shall be borne by Sellers.

(k) Except as set forth in Exhibit B attached hereto and incorporated herein by reference, since January 1, 1993, MAE and PCLP have conducted business only in the ordinary

course of business, have made no material alteration in the manner in which MAE or PCLP keeps its books, accounts or records or in the accounting practices therein reflected, and has not made any material amendment or termination of any material contract or obligation of MAE or PCLP.

(l) MAE has duly filed all tax returns required to be filed by it. From the inception of its corporate existence to date, MAE has qualified and does qualify as an "S" corporation as defined in Section 1361(a) of the Internal Revenue Code of 1986, as amended, and has maintained and does maintain effective "S" elections with all applicable federal and state taxing authorities which recognize "S" Corporation status.

(m) Except as set forth on Exhibit C, there is no action, suit, arbitration, proceeding, grievance, or investigation pending, or to the best knowledge of Sellers overtly threatened, before any court, tribunal, panel, master or governmental agency, authority or body in which MAE or PCLP is a party.

(n) Sellers have disclosed to Sawco all facts of a material nature known to each of them (after reasonable investigation and inquiry) regarding MAE and PCLP.

(o) Attached hereto as Exhibit D is a listing of all correspondence between MAE and SBC for the period August 8, 1989 through September 30, 1993, which listing was derived from a review of the correspondence file. The

correspondence file, as delivered to counsel for Sawco and as summarized in Exhibit D contained and, as updated to the date hereof, contains all material correspondence between MAE and SBC. All material correspondence which shall or should have been added to the SBC correspondence file since September 30, 1993 and to date has been delivered contemporaneously with the execution hereof.

(p) Attached hereto as Exhibit E is a listing of all correspondence between MAE and Frucon (CPC) for the period June 7, 1990 through September 30, 1993, which listing was derived from a review of the correspondence file. The correspondence file, as delivered to counsel for Sawco and as summarized in Exhibit E contained and, as updated to the date hereof, contains all material correspondence between MAE and Frucon (CPC). All material correspondence which shall or should have been added to the Frucon (CPC) correspondence file since September 30, 1993 and to date has been delivered contemporaneously with the execution hereof.

(q) Attached hereto as Exhibit F is a listing of all documents submitted to Sawco and its counsel by Shareholders in response to counsel's request for documents submitted September 27, 1993 as part of its due diligence review. To the best knowledge of Sellers, (i) the documents listed are all of the documents requested to be provided and the provision thereof is fully responsive to said document

request and (ii) the documents listed are true, correct and complete.

12. Representations and Warranties of Sawco. Sawco hereby represents and warrants to Sellers that (a) it has full corporate power and authority to execute and deliver this Option Agreement and to consummate the transactions contemplated hereby; (b) the execution and delivery of this Option Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by its Board of Directors and no other corporate proceedings on its part are necessary to authorize this Option Agreement or to consummate the transactions so contemplated; (c) this Option Agreement has been duly and validly executed and delivered by it and constitutes a valid and binding agreement of it enforceable against it in accordance with its terms; and (d) no affiliate of it has any claim or cause of action against MAE or Sellers.

13. Termination. Except with respect to the representations and warranties set forth in Paragraphs 11 and 12 hereof and to covenants set forth in Paragraphs 6 and 7 hereof, all of which shall be without limitation, this Option Agreement, and the obligations of Sellers, Tampella and Sawco hereunder, shall automatically terminate upon June 30, 1994, at 5:00 p.m., EDT, unless such termination shall be sooner accomplished by closing on the Put or Call hereunder.

14. Restrictive Legend. Upon the execution of this Agreement, Sellers agree to place, or cause to be placed, a

legend on the certificates representing the Shares, substantially to the following effect:

THE SALE, TRANSFER, ASSIGNMENT, PLEDGE OR ENCUMBRANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A STOCK OPTION AGREEMENT, DATED AS OF NOVEMBER 15, 1994, BY AND AMONG SAWCO CORPORATION, MICHAEL S. FRANCIS, JENNY L. FRANCIS AND MICHAEL H. SCHWARTZ, A COPY OF WHICH AGREEMENT IS ON FILE WITH THE SECRETARY OF THE COMPANY.

So long as this Option Agreement is in effect, Sellers further agree to cause MAE to place a stop transfer order on the books and records of MAE with respect to the transfer of any Shares other than pursuant to the terms and conditions of this Option Agreement.

15. Specific Performance. Sellers acknowledge that the Option granted to Sawco herein, and the Shares covered hereby, are unique and that Sawco will have no adequate remedy at law if any of Sellers breaches any covenant contained herein or fails to perform any of such Seller's obligations under this Option Agreement. The parties agree that Sawco, on the one hand and Sellers on the other shall have the right, in addition to any other rights which either such party may have, to specific performance and equitable injunctive relief if either such party shall fail or threaten to fail to perform its or their

obligations to purchase or sell Shares under this Option Agreement.

16. Condition Precedent. It is absolute condition of the obligations of Tampella and Sawco under the provisions of this Option Agreement that each and all of Sellers sign this Option Agreement.

17. Payment Guaranty. Tampella hereby guarantees to Sellers the payment of the Call Exercise Price or the Put Exercise Price, as applicable, due them from Sawco under this Agreement.

18. Right of Offset. Any claims of Tampella or Sawco arising hereunder against Sellers and/or MAE as a result of the breach by Sellers and/or MAE of any representation, warranty covenant or agreement of Sellers and/or MAE set forth herein shall be satisfied first by a right of set-off against moneys then due and owing hereunder by Tampella and/or Sawco to Sellers.

19. Miscellaneous.

(a) Assignability. No party hereto shall assign any interest herein without the prior written consent of the other parties hereto, which shall not be unreasonably withheld.

(b) Validity. The invalidity or unenforceability of any provision of this Option Agreement shall not affect the validity or enforceability of any other provisions of this

Option Agreement, which shall remain in full force and effect.

(c) Further Assurances. Tampella, Sawco and Sellers will execute and deliver all such further documents and instruments and take all such further action as may be necessary in order to consummate the transactions contemplated hereby.

(d) Third Parties. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give to any third party any rights or remedies by virtue of this Agreement or any exercise or nonexercise of the Put and Call granted hereby.

(e) Amendments or Extension. This Option Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by all the parties hereto. This Option Agreement may be extended upon the mutual written agreement of all of the parties hereto.

(f) Notices. Except as otherwise expressly provided herein, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be furnished by hand delivery, by telegram or telex, or by mail (registered or certified, postage prepaid, return receipt requested) to Sellers and Sawco at the addresses set forth below. Any such notice shall be deemed duly given upon the date it is actually received by the addressee to whom notice

is intended to be given or it is actually delivered at the address of the addressee as shown below:

If to Sellers: Michael S. & Jenny L. Francis
401-A Bibby Street
Charleston, WV 25301

Michael H. Schwartz
1800 Beechwood Boulevard
Pittsburgh, PA 15217

With a copy to: Lee O. Hill, Esquire
Jackson & Kelly
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322

If to Sawco: Hannu Rusanen
Tampella Power Corporation
2600 Reach Road
P.O. Box 3308
Williamsport, PA 17701-0308

With a copy to: Michael G. Jarman, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

The addresses set forth above may be changed by Sellers or Sawco, as the case may be, upon furnishing to the other party a notice of change of address in accordance with the terms of this paragraph. With respect to the notice to be provided under Paragraph 4(a) hereof, each Seller hereby irrevocably appoints and constitutes Michael S. Francis his or her designated representative for purposes of communicating Sellers' decision with respect to the exercise of the Put.

(g) Governing Law. This Option Agreement shall be governed by and construed in accordance with the substantive

law of the Commonwealth of Pennsylvania applicable to contracts made and to be performed in such state.

(h) Counterparts. This Option Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

(i) Effect of Headings. The section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

(j) Time of the Essence. The parties agree that time shall be of the essence in the performance of all obligations hereunder.

(k) Successors and Assigns. This Option Agreement shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, respective successors and permitted assigns.

(l) Integration. This Agreement (including the Exhibits hereto) constitutes the entire agreement between the parties (and their affiliates) regarding the subject matter hereof and replaces any prior agreements or understandings among the parties, including without limitation that contained in the Memorandum of Understanding effective September 13, 1990.

20. Confidentiality. Neither the Sellers, or any of them, on one hand, or Sawco, on the other hand, shall disclose to any third party the nature or existence of this Agreement or the

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

21. Control of Tax Matters. Sellers assume all tax liabilities of MAE accruing to the date of transfer of the Shares. Sellers shall control the prosecution or defense of any disputes with taxing authorities relating to such liabilities, and shall pay all costs relating thereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

	SAWCO, CORPORATION
Date: _____, 1993	By <u><i>[Signature]</i></u>
	ATTEST: <u><i>[Signature]</i></u>
	<u><i>[Signature]</i></u>
	SELLERS: <u><i>[Signature]</i></u>
Date: _____, 1993	_____(SEAL) Michael S. Francis
Date: _____, 1993	_____(SEAL) Jenny L. Francis
Date: _____, 1993	_____(SEAL) Michael H. Schwartz

[Signatures continued on next page.]

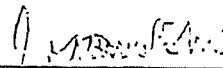
terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

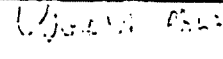
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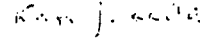
SAWCO, CORPORATION

Date: _____, 1993

By 

ATTEST: 



SELLERS: 

Date: _____, 1993

_____(SEAL)
Michael S. Francis

Date: _____, 1993

_____(SEAL)
Jenny L. Francis

Date: _____, 1993

_____(SEAL)
Michael H. Schwartz

[Signatures continued on next page.]

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST:

Date: _____, 1993

SELLERS:

Michael S. Francis (SEAL)

Date: _____, 1993

Denny L. Francis (SEAL)

Date: _____, 1993

Michael H. Schwartz (SEAL)

[Signatures continued on next page.]

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terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST:

SELLERS:

Date: _____, 1993

Michael S. Francis (SEAL)

Date: _____, 1993

Jenny L. Francis (SEAL)

Date: 11-15, 1993

Michael H. Schwartz (SEAL)

[Signatures continued on next page.]

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By *[Signature]*
ATTEST: *[Signature]*

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By *[Signature]*
Yvonne R. [unclear] [unclear] [unclear]
ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____
ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____
ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: November 15, 1993

By Warren R. ...

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: Nov. 15, 1993

By W. H. ...

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

MID-ATLANTIC ENERGY OF PA, INC.

By _____

Its _____
President

SUMMONS**IN THE CIRCUIT COURT OF WETZEL COUNTY, WEST VIRGINIA**

MICHAEL S. FRANCIS, an individual,
 WILLIAM E. CARPENTER, JR., in his
 capacity as the executor of the estate of
 JENNY L. FRANCIS, deceased, and
 MICHAEL H. SCHWARTZ, an individual,

Plaintiffs,

v.

CIVIL ACTION NO.: 99-C-71-1

PENNPOWER, INC., a Delaware
 corporation, and TAMROCK CORP.,
 formerly known as TAMPELLA CORP., a
 Finnish corporation,

Defendants.

To the above-named Defendant:

Tamrock Corp.
 c/o Corporation Trust Company, Registered Agent
 1209 Orange Street
 Wilmington, DE 19801

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon **DANA F. EDDY**, plaintiffs' attorney whose address is **JACKSON & KELLY PLLC**, P. O. BOX 553, CHARLESTON, WEST VIRGINIA 25322, an answer, including any related counterclaim you may have, to the complaint filed against you in the above styled civil action, a true copy of which is herewith delivered to you. You are required to serve your answer within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred from asserting in another action any claim you may have which must be asserted by counterclaim in the above styled civil action.

Dated: November 10, 1999

Sharon Dulaney
 Carol L. Hassig, Clerk of Court
 Sharon Dulaney

By: Cindy Adams
 Deputy

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1289 ORANGE STREET
WILMINGTON DE 19801-1196
(302)777-0226
TO: MR. JOHN WALSH
CONTROLLER
345 PATTON DRIVE, S.W.
TAMCORP, INC.
ATLANTA GA 30336

4058 0648 6205 **FedEx**

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REF: SOP2671616/50390

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TRK# 4058 0648 6205 FORM 0201

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Deliver by
26NOV99

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CSC The United States Corporation Company
1013 Centre Road, Wilmington, DE, 19801 1297
(302) 636-5400

United States Corporation Company

The Prentice-Hall Corporation System, Inc.

NOTICE OF SERVICE OF PROCESS

Date Processed: 18-NOV-99

Transmittal #: DE0795718P

ALL

To: GREGG RIDDLE, ESQ.
ORRICK HERRINGTON & SUTCLIFFE
THE OLD FEDERAL RESERVE BANK
400 SANSOME STREET
SAN FRANCISCO CA 94111

Redirect sent to:

TYPE OF REPRESENTATION: Statutory

We enclose the following documents which were served upon:

The Prentice-Hall Corporation System, Inc.

as registered agent in Delaware

for

PENNPOWER, INC. (ID#: 0430950)

Documents were served on 18-NOV-99

via Certified Mail

ID#: P 970 617 263

Title of Action: MICHAEL S. FRANCES, ET AL, EXECUTOR
vs. PENNPOWER, INC. ET AL
Court: CIRCUIT COURT, WETZEL COUNTY, WV
Nature of Case: Contract

Case #: 99-C-71-M

☒ Summons
☐ Complaint
☐ Garnishment
☐ Subpoena

☐ Notice of Mechanic's Lien
☐ Notice of Attorney's Lien
☐ Notice of Default Judgment

☐ A self-addressed stamped
envelope enclosed
☐ Duplicate copies of the Notice
and Acknowledgement enclosed

☒ Other: LEGAL NOTICE, COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES, EXHIBIT 1

Answer Due: WITHIN 30 DAYS AFTER SERVICE

Documents Sent: Federal Express

ID#:

Call Placed: No call placed

Spoke to: N/A

Comments: N/A

Attorney for Claimant:

DANA F. EDDY
JACKSON & KELLY PLLC
1600 LAIDLEY TOWER, P.O. BOX 553
CHARLESTON, WV
(304) 340-1307

Form Prepared By: Ethel Strong

Please acknowledge receipt of this notice and the enclosures by signing and returning the acknowledgement copy.

Original Client Copy - for your records

The information on this transmittal is provided for use in forwarding the attached documents. This information does not constitute a legal opinion as to the facts or details of this action. These should be obtained from the documents themselves. The receiver of this transmittal is responsible for interpreting the documents and for taking appropriate action. If you have received only a copy of the transmittal, you should be aware that the documents have been sent to the original addressee. You should contact that addressee for details or interpretations of the content of those documents.

KEN HECHLER
Secretary of State

MARY P. RATLIFF
Deputy Secretary of State

JAN CASTO
Deputy Secretary of State

CATHERINE FREROTTE
Executive Assistant

Telephone: (304) 558-6000
Corporations: (304) 558-8000
FAX: (304) 558-0900
e-mail: vhaught@secretary.state.wv.us



STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K
1900 Kanawha Blvd., East
Charleston, WV 25305-0770

WILLIAM H. HARRINGTON
Chief of Staff

JUDY COOPER
Director, Administrative Law

Penney Barker
Supervisor, Corporations

(Plus all the volunteer
help we can get)

LEGAL NOTICE

November 12, 1999

Civil Action 99-C-71-M

PennPower, Inc.
Prentice Hall Corporation Systems
1013 Center Road
Wilmington, DE 19805

I am enclosing

<input type="checkbox"/> summons	<input type="checkbox"/> original
<input type="checkbox"/> notice	<input type="checkbox"/> affidavit
<input type="checkbox"/> order	<input type="checkbox"/> answer
<input type="checkbox"/> petition	<input type="checkbox"/> cross-claim
<input type="checkbox"/> motion	<input type="checkbox"/> counterclaim
<input type="checkbox"/> interrogatories	<input type="checkbox"/> request
<input type="checkbox"/> suggestions	<input type="checkbox"/> demand
<input type="checkbox"/> subpoena duces tecum	<input type="checkbox"/> default judgement
<input checked="" type="checkbox"/> 1 summons and complaint	<input type="checkbox"/> complaint
<input type="checkbox"/> 3rd party summons & complaint	<input type="checkbox"/> notice of mechanic's lien
<input type="checkbox"/> summons returned from post office	<input type="checkbox"/> suggestee execution

which was served on the Secretary at the State Capitol in his capacity as your statutory attorney-in-fact.
According to law, I have accepted service of process.

☐ in your name and on your behalf.
☐ in the name and on behalf of your corporation.
☒ in the name and on behalf of your unauthorized foreign corporation.
☐ in the name and on behalf of your authorized insurance company.
☐ in the name and on behalf of

131585

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in your name and on your behalf as your attorney-in-fact. Please address any questions about these documents directly to the court or to the plaintiff's attorney, shown in the enclosed paper. Please, do not call the Secretary of State's Office.

Sincerely,

Vicki Haught
Vicki Haught
Supervisor

SUMMONS

IN THE CIRCUIT COURT OF WETZEL COUNTY, WEST VIRGINIA

MICHAEL S. FRANCIS, an individual,
WILLIAM E. CARPENTER, JR., in his
capacity as the executor of the estate of
JENNY L. FRANCIS, deceased, and
MICHAEL H. SCHWARTZ, an individual,

Plaintiffs,

v.

CIVIL ACTION NO.: 99-C-71-M

PENNPOWER, INC., a Delaware
corporation, and TAMROCK CORP.,
formerly known as TAMPELLA CORP., a
Finnish corporation,

Defendants.

To the above-named Defendant: **PennPower, Inc.**
c/o Prentice Hall Corporation System Inc., Reg. Agent
1013 Center Road
Wilmington, DE 19805

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon **DANA F. EDDY**, plaintiffs' attorney whose address is **JACKSON & KELLY PLLC**, P. O. BOX 553, CHARLESTON, WEST VIRGINIA 25322, an answer, including any related counterclaim you may have, to the complaint filed against you in the above styled civil action, a true copy of which is herewith delivered to you. You are required to serve your answer within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred from asserting in another action any claim you may have which must be asserted by counterclaim in the above styled civil action.

Dated: November 10, 1999

Sharon Dulaney
~~Carol L. Hussig~~, Clerk of Court
Sharon Dulaney

By: Cindy Adams
Deputy

IN THE CIRCUIT COURT OF WETZEL COUNTY, WEST VIRGINIA

MICHAEL S. FRANCIS, an individual,
WILLIAM E. CARPENTER, JR., in his
capacity as the executor of the estate of
JENNY L. FRANCIS, deceased, and
MICHAEL H. SCHWARTZ, an individual,

Plaintiffs,

v.

CIVIL ACTION NO.: 99-C-71-11

PENNPOWER, INC., a Delaware
corporation, and TAMROCK CORP.,
formerly known as TAMPELLA CORP., a
Finnish corporation,

Defendants.

COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES

For their respective complaint against the above-named defendants, the plaintiffs
MICHAEL S. FRANCIS, WILLIAM E. CARPENTER, JR., in his capacity as the executor of
the estate of JENNY L. FRANCIS, and MICHAEL H. SCHWARTZ, and each of them, allege
and aver:

PARTIES

1. MICHAEL S. FRANCIS is an individual who is a resident of the
Commonwealth of Pennsylvania with his principal residence situated within Allegheny County
("Mr. Francis"). At times relevant to the matters set forth in the complaint, Mr. Francis was
a resident of the State of West Virginia with his principal residence situated within Kanawha
County.

2. WILLIAM J. CARPENTER is an individual who is serving as the executor of the estate of JENNY L. FRANCIS who, at the time of her death, was a resident of the State of South Carolina ("Mr. Carpenter"). At times relevant to the matters set forth in the complaint, JENNY L. FRANCIS was a resident of the State of West Virginia with her principal residence situated within Kanawha County.

3. MICHAEL H. SCHWARTZ is an individual who is, and at all times relevant to the matters set forth in the complaint was, a resident of the Commonwealth of Pennsylvania with his principal residence situated within Allegheny County ("Mr. Schwartz").

4. PENNPOWER, INC., formerly known as SAWCO CORPORATION, is a business corporation organized under the laws of the State of Delaware which did business in the Commonwealth of Pennsylvania at offices or facilities situated in Williamsport, Pennsylvania, but which, at this time, does no business, has no principal office, and exists as a corporate entity solely for the purpose of defending the claims for relief set forth in this complaint ("PENNPOWER").

5. TAMROCK, CORP., formerly known as TAMPELLA CORP., is a foreign corporation organized under, and existing pursuant to, the laws of Finland but which maintains, and at all times relevant to the matters set forth in this complaint maintained, offices or agents in the Commonwealth of Pennsylvania for purposes which include, but is not limited to, resolving its and PENNPOWER's liabilities to the plaintiffs in this civil action ("Tampella").

JURISDICTION

6. Pursuant to the provisions of W. Va. Code § 31-1-15 and W. Va. Code § 56-3-33, the Court has jurisdiction over the person of each of the defendants in that the

defendants have transacted business in this state by reason of their execution of a contract that has been, and is to be, performed in the State of West Virginia.

VENUE

7. This Court is a proper venue for the prosecution of the matters set forth in this complaint for the reason that the contractual obligations which are the subject matter of this civil action are required to be performed within this venue.

CAUSE OF ACTION

8. On or about the date of November 15, 1993, Mr. Francis, JENNY L. FRANCIS ("Ms. Francis"), and Mr. Schwartz, individually and collectively (the "Plaintiffs"), executed a STOCK OPTION AGREEMENT to which PENNPOWER was a party. A true copy of the STOCK OPTION AGREEMENT is attached to, and incorporated in, this complaint as Exhibit "1."

9. The STOCK OPTION AGREEMENT related to the sale of the shares of stock of MID-ATLANTIC ENERGY OF PA, INC., a corporation duly organized under, and existing pursuant to, the laws of the State of West Virginia ("MAE").

10. Before the date of the execution of the STOCK OPTION AGREEMENT, Mr. Francis, Ms. Francis, and Mr. Schwartz, collectively, held title to all the issued and outstanding shares of the stock of MAE.

11. MAE was the general partner of PINEY CREEK LIMITED PARTNERSHIP which was a limited partnership organized pursuant to, and existing under, the laws of the Commonwealth of Pennsylvania ("Piney Creek").

12. Piney Creek held title to a small power production facility situated in Piney Township, Clarion County, Pennsylvania (the "Project").

13. By reason of the execution of the STOCK OPTION AGREEMENT, PENNPOWER was to acquire title to all the issued and outstanding shares of MAE ("Shares").

14. As set forth in the provisions of the STOCK OPTION AGREEMENT, PENNPOWER held an option to purchase the Shares, and Mr. Francis, Ms. Francis, and Mr. Schwartz had the right to cause PENNPOWER to purchase the Shares.

15. Pursuant to the provisions of the STOCK OPTION AGREEMENT, Mr. Francis, Ms. Francis, and Mr. Schwartz invoked their right to require PENNPOWER to purchase the Shares.

16. Mr. Francis, Ms. Francis, and Mr. Schwartz did, in fact, transfer title to the Shares to PENNPOWER.

17. Pursuant to the provisions of the STOCK OPTION AGREEMENT, the amount of \$250,000 represented the final installment of the consideration for the Shares which was to be paid to Mr. Francis, Ms. Francis, and Mr. Schwartz when three conditions precedent were satisfied (the "Additional Payment").

18. The first condition precedent was that the lender for the Project and Tampella had to execute a written agreement effectively releasing Tampella from a guaranty of the funding of cost overruns incurred by the Project at certain stages of the Project, including the commencement stage of its commercial operation and the correction stage of certain construction defects (the "First Condition").

19. The second condition precedent was that the lender had to agree to permit reserve funds or revenues of Piney Creek to be used for the payment of certain operational and maintenance charges of the Project's operator which was, and remains, a subsidiary of Tampella (the "Second Condition").

20. The third condition precedent was that no default was to be declared between the lender and Piney Creek requiring additional capital contributions from the remaining partners of Piney Creek by reason of Piney Creek's correction of an error that had resulted in an organizational cost being improperly listed as an account receivable from MAE (the "Third Condition").

21. In the express provisions of the STOCK OPTION AGREEMENT, Tampella guaranteed the payment of the Additional Payment by PENNPOWER to Mr. Francis, Ms. Francis, and Mr. Schwartz and evidenced its guaranty by signing the STOCK OPTION AGREEMENT.

22. To the date of the filing of this complaint, PENNPOWER has not made the Additional Payment.

CLAIMS FOR RELIEF

FIRST COUNT (Declaratory Relief)

23. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

24. The Plaintiffs are informed and, therefore, believe that the First Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

25. The Plaintiffs are informed and, therefore, believe that the Second Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

26. The Plaintiffs are informed and, therefore, believe that the Third Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

27. To the extent that any one of the First Condition, the Second Condition, or the Third Condition has not been formally or technically satisfied, the Plaintiffs believe that, if PENNPOWER or Tampella had acted in good faith and with due diligence, the conditions could and would have been formally or technically satisfied by this time.

28. An implied covenant in the STOCK OPTION AGREEMENT was that SAWCO or Tampella would act in good faith toward, and would fairly deal with, the Plaintiffs requiring, therefore, that PENNPOWER or Tampella, with all due diligence and commitment, would cause the First Condition, the Second Condition, and the Third Condition to be fully and completely satisfied at the earliest possible date.

29. The Plaintiffs request the declaration of this Court with respect to the rights of the parties under the STOCK OPTION AGREEMENT including, but not limited to, a declaration that the conditions precedent to the Additional Payment have been or should have been satisfied and that the Additional Payment is due and owing by PENNPOWER to the Plaintiffs at this time.

SECOND COUNT
(Breach of Contract)

30. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

31. Notwithstanding its request for a declaration of the parties' respective rights, the Plaintiffs affirmatively allege that the Additional Payment is due and owing by SAWCO to the plaintiffs at this time and that PENNPOWER has refused to make the Additional Payment notwithstanding the Plaintiffs' demand for the Additional Payment.

32. Accordingly, PENNPOWER has breached its contractual obligations to the Plaintiffs.

33. Plaintiffs have been damaged by the actions and conduct of PENNPOWER in an amount equal to the Additional Payment plus accrued, and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

THIRD COUNT
(Breach of Contract)

34. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

35. Tampella has guaranteed the payment by PENNPOWER of the Additional Payment.

36. PENNPOWER has refused to pay the Additional Payment.

37. Accordingly, Tampella is obligated to pay to the Plaintiffs the Additional Payment plus accrued, and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

FOURTH COUNT

(Breach of the Covenant of Good Faith and Fair Dealing)

38. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

39. If the Court declares that the First Condition, the Second Condition, and the Third Condition (the "Conditions") have not been fulfilled or should not be deemed to be fulfilled, this declaration shall have necessarily resulted from the failure of PENNPOWER and Tampella to fulfill the Conditions.

40. Pursuant to the STOCK OPTION AGREEMENT, PENNPOWER and Tampella, and each of them, had an obligation to perform the express covenants of the agreement in good faith and in fairness to the Plaintiffs.

41. PENNPOWER and Tampella have, in fact, made no attempt to satisfy the Conditions and, indeed, may have fashioned or manipulated the sale of the stock of MAE in a manner that purposefully avoided the satisfaction of the Conditions.

42. PENNPOWER and Tampella have taken actions to prevent the Plaintiffs from receiving the Additional Payment, including, but not limited to, refusing to inform the Plaintiffs regarding the sale of the shares of MEA and refusing to divulge the terms and conditions of the sale.

43. PENNPOWER and Tampella have failed to act in good faith and in fairness to the Plaintiffs in contravention of the implied covenant in the STOCK OPTION AGREEMENT to do so with respect to fulfilling the Conditions.

44. The Plaintiffs have been injured by reason of the breach of the covenant of good faith and fair dealing and, as a result, PENNPOWER and Tampella, and each of them, is obligated to pay to the Plaintiffs an amount equal to the Additional Payment plus accrued,

and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

WHEREFORE, the Plaintiffs, and each of them, hereby pray for the following relief with respect to the complaint:

1. That with respect to the First Count, the Court enter its judgment declaring that all conditions precedent to the Additional Payment have been, or should have been, satisfied, and that the Additional Payment is, at this time, due and owing to the Plaintiffs, and each of them, by PENNPOWER;

2. That with respect to the Second Count, the Court enter its judgment in favor of the Plaintiffs and against PENNPOWER awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys;

3. That with respect to the Third Count, the Court enter its judgment in favor of the Plaintiffs and against Tampella awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys;

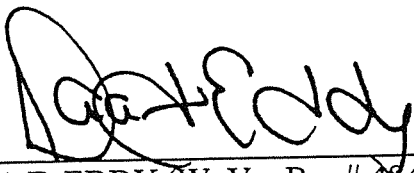
4. That with respect to the Fourth Count, the Court enter its judgment in favor of the Plaintiffs and against each of Tampella and PENNPOWER awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys; and

5. That with respect to all counts of the complaint, the Court award such other and further relief to the Plaintiffs as the Court deems to be just and proper.

A TRIAL BY JURY IS DEMANDED AS TO ALL ISSUES TRIABLE TO A JURY.

MICHAEL S. FRANCIS, an individual, WILLIAM E. CARPENTER, JR., in his capacity as executor for the estate of JENNY L. FRANCIS, deceased, and MICHAEL H. SCHWARTZ, an individual

By Counsel



DANA F. EDDY (W. Va. Bar # 4848)
SHAWN L. REED (W. Va. Bar # 6801)
JACKSON & KELLY PLLC
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322
(304) 340-1307

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT, effective as of November 15, 1993 (the "Option Agreement"), is entered into by and among SAWCO CORPORATION, a Delaware corporation ("Sawco"), MID-ATLANTIC ENERGY OF PA, INC., a West Virginia corporation ("MAE") and MICHAEL S. FRANCIS, JENNY L. FRANCIS, and MICHAEL H. SCHWARTZ (hereinafter individually referred to as a "Seller" and collectively referred to as the "Sellers").

WHEREAS, Sellers own beneficially and of record those shares of capital stock of MAE as set forth opposite their respective individual names on Exhibit A attached hereto, which stock in the aggregate constitutes all of the issued and outstanding shares of MAE (collectively, the "Shares"); and

WHEREAS, MAE is the sole general partner of PINEY CREEK LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("PCLP"), of which Sawco and its affiliate, TAMPELLA POWER CORPORATION, a Delaware corporation ("TPC"), are the sole limited partners; and

WHEREAS, PCLP owns a small power production facility situate in Piney Township, Clarion County, Pennsylvania ("Project"); and

WHEREAS, on or about November 3, 1993, TPC and Sellers executed a Memorandum of Agreement in Principle which outlined the terms of an option agreement under which TPC or its affiliate could acquire, or be obligated to acquire, the Shares from Sellers ("Letter of Intent"); and

WHEREAS, the parties hereto wish to set forth the terms and conditions as contemplated by the Letter of Intent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Recitals. The foregoing recitals are incorporated into the body of this Agreement and made a part hereof.

2. Right to Call Shares.

(a) Grant. Sellers hereby grant to Sawco, as the designee of TPC under the Letter of Intent, all the rights and obligations reserved to TPC thereunder (except for such obligations as are assumed by Tampella under Paragraphs 7, 17 and 19(c) hereof), including, without limitation, the option to purchase from Sellers during the period commencing this date and extending to and including June 30, 1994 (the "Call Term") all, and not less than all, of the Shares (the "Call").

(b) Consideration. In consideration of the grant of the Call, and to induce same, Sawco is paying to Sellers contemporaneous with the execution of this Agreement, a option fee of \$500,000 (allocated among Sellers in accordance with their relative interests in MAE as set forth on Exhibit A), which amount shall be applied against the first installment of the purchase price for the Shares when

and if acquired hereunder (either by Call or Put) and is otherwise nonrefundable. The option fee is being paid by wire transfer to Sellers' designated account(s) at the Bank of Paden City, Paden City West Virginia.

(c) Call Purchase Price. The aggregate purchase price (the "Call Exercise Price") to be paid by Sawco for the Shares upon exercise of the Call is \$1,355,000, payable (i) \$500,000 by application of the option fee theretofore paid under subparagraph (b) above, (ii) \$655,000 in guaranteed funds to Sellers (allocated among Sellers in accordance with their respective interests in MAE as set forth on Exhibit A), upon the closing on the Call, and (iii) the balance of \$200,000 in guaranteed funds to Sellers (allocated as aforesaid) upon the earlier of (A) the sale of the limited partners' equity in PCLP, (B) a refinancing of the Project which produces excess cash (i.e. any amount by which the proceeds of such refinancing exceeds the sum of the payoff of the prior indebtedness and the costs incurred to effect the refinancing) at settlement to PCLP, but only to the extent of such excess cash less than \$200,000 (with the balance of such \$200,000, if any, to be paid on June 30, 1994) or (c) June 30, 1994.

(d) Nature. The grant of the Call is irrevocable and exclusive.

3. Right to Put Shares.

(a) Grant. Sawco hereby grants to Sellers (acting together) the right to require Sawco to purchase at any time during the period commencing January 1, 1994, and extending to and including June 30, 1994 ("Put Term") all, and not less than all, of the Shares ("Put").

(b) Put Purchase Price. The aggregate purchase price ("Put Exercise Price") to be paid by Sawco for the Shares upon exercise of the Put is as follows:

(i) If at the time of the exercise of the Put, all of the Conditions (hereinafter defined) have been satisfied, the Put Exercise Price shall be the same as the Call Exercise Price and paid in the same manner, each as described in Paragraph 2(c) above.

(ii) If at the time of the exercise of the Put, all of the Conditions are not satisfied, the Put Exercise Price shall be \$1,105,000, payable (A) \$500,000 by application of the option fee theretofore paid under Paragraph 2(b) above, (B) \$405,000 in guaranteed funds to Sellers (allocated among them in accordance with their relative interests in MAE as set forth on Exhibit A) upon the closing on the Put, and (C) the balance of \$200,000 in accordance with the provisions of Paragraph 2(c)(iii) above. An additional \$250,000 shall be payable in guaranteed funds

(allocated as aforesaid) if and when all of the Conditions have thereafter been satisfied.

(ii) The "Conditions" are:

A. The execution by Swiss Bank Corporation ("SBC") as lead lender to the Project of a written agreement with TAMPELLA CORP, Tampere, Finland, a Finnish corporation ("Tampella"), on terms which require the payment or posting of no additional moneys or recourse to SBC by PCLP, TPC, Sawco, Tampella, or any of their affiliates (including, without limitation, MAE after the acquisition of the Shares as contemplated in this Option Agreement), to the effect that SBC will cause a release of Tampella's entire \$2,000,000 cost overrun guaranty upon (aa) commercial conversion of the Project and (bb) remediation of certain Project construction defects (outlined in the SE Technologies Deficiency Corrective Action Report dated August 13, 1993 and currently in possession of all parties hereto) by the contractor or Sawco within a budget reasonably determined by SBC.

B. The agreement by SBC, on terms reasonably acceptable to Sawco, to release PCLP funds and/or Project operating revenues for the payment of the Project operator's O&M charges from and after March 6, 1993 (other than Subordinated O&M charges which will be

paid pursuant to the terms of applicable Project documents).

C. That by the date when the latter of the events described in clauses (A) or (B) has occurred, SBC has not asserted a default or breach by PCLP of PCLP's Credit Agreement with SBC as a result of the reclassification of PCLP's account receivable from MAE as further described in Paragraph 10, which would require TPC, Sawco, Tampella or any of their affiliates (including, without limitation, MAE after the acquisition of the Shares as contemplated in this Option Agreement) to provide additional capital to PCLP to eliminate such account receivable.

4. Exercise of Call or Put.

(a) Subject to the conditions set forth herein, the Call or Put may be exercised by Sawco or Sellers, as the case may be, for all and not less than all of the Shares during the Call Term or Put Term, as the case may be. In the event Sawco or Sellers elect to exercise the Call or Put, as the case may be, Sawco or Sellers, as the case may be, shall send a written notice of exercise to Sellers or Sawco, as the case may be, specifying the place and date (not later than five (5) business days nor earlier than three (3) business days from the date such notice is mailed) of such closing.

(b) Sellers, and each of them, represent(s) that he or she has not, and prior to the expiration of the Call or Put will not, take any action which would have the effect of preventing or disabling Sellers from delivering the Shares to Sawco upon exercise of the Call or otherwise preventing or disabling Sellers from performing their obligations or Sawco from exercising its rights under this Call. Without limiting the generality of the foregoing, Sellers agree not to (i) take any action which would have the effect of changing any of Sellers' voting or equity interests in MAE, or (ii) permit MAE, (A) to issue any shares of its capital stock, or issue or create any warrants, obligations, subscriptions, options, or convertible securities, or other commitments under which any additional shares of its capital stock may be authorized or issued, or transferred from treasury or (B) sell, dispose or otherwise transfer any of its interest in PCLP.

5. Delivery. At the closing on the Put or Call hereunder, (a) Sawco shall pay Sellers the applicable portion of the Call or Put Exercise Price for the Shares and (b) each Seller shall deliver to Sawco stock certificates duly executed in transferable form (or with appropriate stock powers attached) representing such Seller's respective shares so purchased.

6. Affirmative Covenants of Sellers.

(a) Commencing on the date hereof and extending to and through December 31, 1993, Sellers shall cause MAE to work

cooperatively with Sawco and use best efforts to resolve major Project issues in a manner reasonably satisfactory to Sawco, such efforts to include (by way of illustration and not limitation):

- (i) negotiating a settlement with FruCon of all contractor issues in a manner consistent with FruCon's September 8, 1993 settlement offer (with such additions and modifications as are reasonably acceptable to both MAE and Sawco);

- (ii) negotiating a settlement with SBC which allows for a release of PCLP funds and/or Project operating revenues to pay operating costs to facilitate payment of Project costs such as those outlined in Paragraph 7(a), (b) and (c), under terms and conditions reasonably acceptable to MAE and Sawco;

- (iii) achieving the Conditions;

- (iv) resolving the Project's ash problem; and

- (v) producing an agreement by all necessary parties with respect to the increase in Project output by an additional 3 megawatts or additional total megawatt hours per annum with up to 100% capacity factor at 30 megawatt capacity.

During such period, Sellers shall continue to devote their time and attention to MAE and PCLP affairs in a manner consistent with past practice.

(b) Commencing January 1, 1994, and thereafter for the duration of this Agreement, Sellers shall cause MAE to serve as Sawco's agent, and take actions relating to PCLP management only as directed by Sawco.

(c) Commencing this date and extending for the duration of this Agreement, Sellers shall cause MAE and in turn PCLP to conduct business only in the ordinary course of business.

(d) Upon closing on the Put or Call hereunder, (i) the assets of MAE will consist solely of (A) an equity investment in PCLP (as general partner) having a net cost to MAE of \$155,000 and (B) any indebtedness due from, or claim against, PCLP then held or at any time held by MAE or any affiliate of MAE since the inception of PCLP and not theretofore unconditionally satisfied and (ii) the liabilities will consist solely of those attributable to PCLP as then reflected on the books and records of PCLP for which MAE is contingently liable as general partner as identified in Paragraph 7(a), (b) and (c). Upon such closing and transfer of Shares, MAE shall have no outstanding contractual commitments or obligations to any party other than those obligations to PLCP outlined in the SBC Credit Agreement and related documents dated as of October 1, 1990, as amended.

(e) From the date hereof to the effective date of transfer of the Shares, Sellers shall take all actions

necessary to maintain MAE's "S" Corporation status as further described in Paragraph 11(1).

7. Affirmative Covenants of Tampella.

(a) On or before December 1, 1993 Tampella shall cause payment of certain scheduled and accrued third-party liabilities of PCLP (on behalf of PCLP and the Project) to include Orrick Harrington, Dewey Ballentine, Deloitte & Touche and legal costs for the FruCon (CPC) arbitration, such liabilities currently total approximately \$162,000, as well as third-party liabilities of PCLP which are reasonably and necessarily incurred for fair value, from and after the date hereof and continuing for the duration of this Agreement.

(b) From the date hereof and extending until transfer of the Shares, Tampella shall cause payment of Project G&A costs to MAE in the budgeted amount of \$13,333 per month. Fractional months' G&A will be prorated.

(c) From the date hereof, Tampella shall indemnify Sellers from and against liabilities to FruCon (CPC) or SBC for legal (White & Case) or technical (R.W. Beck) expenses related to the Project which may be adjudicated against Sellers with respect to a court-determined piercing of the MAE corporate veil and as a result of MAE's activities as the general partner of PCLP. Such indemnification shall not, however extend to liabilities arising out of a breach of MAE of this Agreement. The defense of any indemnified

liability issue hereunder (including the defense of any veil-piercing issue) shall be controlled and paid for by Tampella. Additionally, from and after this date, Sawco and each affiliate thereof (i.e. Tampella Services, Inc. and TPC) hereby waives any claim or action against MAE or Sellers for actions taken at any time by MAE or Sellers in the carrying out of MAE's obligations as general partner of PCLP which are taken in good faith and not in violation of this Agreement.

(d) The parties understand and agree that the costs or indemnified liabilities which Tampella shall cause to be paid under this Paragraph 7 are costs or liabilities of PCLP and that, if moneys are advanced by Tampella, or by Tampella through its affiliate, to PCLP and/or MAE for payment of these costs or liabilities, then, if and when funds are made available to PCLP and/or MAE to cover such costs or liabilities, or any of them, MAE shall cause those moneys to be paid over to Tampella or its affiliate, as appropriate, as reimbursement.

8. Conditions of Closing on Put or Call Option. The following shall be conditions of closing on the Put or Call hereunder:

(a) Repayment to MAE of any shareholder loans and advances due from affiliates of MAE; and

(b) MAE shall have made no distribution to Sellers during the period commencing January 1, 1993, and extending

to immediately prior to the transfer of the Shares. The parties acknowledge that immediately prior to such transfer MAE shall then make a distribution to Sellers as described in Paragraph 9 below. In no event and at no time shall MAE have distributed or assigned to Sellers or to any other party, any claim against, or obligation of, PCLP other than that management fee described in Paragraph 7(b) above for the current monthly period, which as of closing on the Put or Call hereunder is accrued but unpaid.

9. Distribution of Certain Assets by MAE. Between the time of the notice of exercise and closing on the Put or Call hereunder, but not otherwise, Sellers shall have the right to cause MAE to distribute to them as the shareholders thereof, any cash of MAE and/or indebtedness due MAE from affiliates of MAE other than PCLP, with the sole exception of a current period fee described in Paragraph 7(b), which as of closing on the Put or Call hereunder shall have been accrued but unpaid.

10. Financial Representations and Covenants of Sellers.

(a) The parties acknowledge that PCLP has currently reflected on its books of account an account receivable in the amount of approximately \$409,000. MAE and Sellers advise and represent and Sawco acknowledges that the classification of such amount as an account receivable is erroneous and that such amount should be reclassified as capitalized organization costs of PCLP.

(b) The parties acknowledge that by law the taxable year of MAE shall terminate with the transfer of the Shares as contemplated herein and consequently Sellers shall report the items of income and expense of MAE from the inception of its fiscal year to the date of such transfer ("Stub Period"). Secondly, the parties agree that if lawful, they will cause the Partnership to allocate to MAE for inclusion in the Stub Period, such percentage of the Partnership's net income/loss for the Stub Period (or each portion thereof) as established under the applicable provisions of the PCLP partnership agreement.

11. Representations and Warranties of Sellers. Each Seller hereby represents and warrants (which shall survive closing on the Put or Call hereunder and any investigation by Sawco and affiliates), and at the closing for the purchase of the Shares by Put or Call each Seller will represent and warrant (which shall survive as aforesaid), that:

(a) Seller is the holder of record of the number of Shares transferred to Sawco at the closing, and such Shares are free and clear of all liens, encumbrances, voting agreements, shareholder agreement, equities, preemptive rights, options, claims, charges and restrictions whatsoever;

(b) Such Seller has the power, right, capacity and authority to execute and deliver this Option Agreement, and to sell, transfer and deliver her or his respective Shares

to Sawco in accordance with the terms, covenants and conditions of this Option Agreement;

(c) This Option Agreement has been duly and validly executed and delivered by such Seller and constitutes a valid and binding agreement of the Seller enforceable against Seller in accordance with its terms;

(d) Such Seller is not subject to or bound by any agreement or judgment, order, writ, prohibition, injunction or decree of any court or other governmental body which would prevent the execution, delivery or performance of this Option Agreement, or the sale, transfer or delivery of the Shares to Sawco as contemplated hereby;

(e) The Shares so transferred by such Seller have been duly authorized, validly issued, fully paid and are nonassessable;

(f) MAE owns the sole general partner interest in PCLP and such is free and clear of all liens, encumbrances and, to the best knowledge of Sellers, any claims whatsoever.

(g) MAE is duly incorporated and organized and validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with full corporate power to own or lease and operate its assets and to carry on its business in the manner in which such business is now being conducted, and is in good standing and duly qualified as a foreign corporation in each other jurisdiction where its failure to obtain and maintain such good standing and

qualification would have a material and adverse effect on its conditions (financial or otherwise), assets or business.

(h) MAE is authorized to issue 20,000 shares of common shares, each with a par value of \$10, of which 6,700 shares are issued and outstanding. The name of and number of shares owned by each of the shareholders of record of such corporation as of the date hereof and as of the closing date on the Put or Call is set forth on Exhibit A. No person, other than as shown on Exhibit A, owns of record or beneficially any of the capital stock of MAE and all of such capital stock will be owned by the persons set forth on Exhibit A on the closing date on the Put or Call. The capital stock shown on Exhibit A comprises all of the issued and outstanding capital stock of MAE. All of the capital stock is validly issued and outstanding, fully paid and nonassessable, and no such capital stock was issued in violation of preemptive rights, nor does any shareholder have a claim to preemptive rights. There is not outstanding any option, warrant or right to purchase from MAE or from any shareholder of MAE, or to require MAE to issue, any capital stock or other security convertible into or exchangeable for shares of such stock or any other security of MAE.

(i) Except as specified in Paragraph 10, the Forms 1120S for MAE for 1990 through 1992, inclusive, the Forms 1065 for PCLP for 1990 through 1992, inclusive, the state

tax returns filed by MAE for such period, the audited financial statements for PCLP and consolidated financial statements for MAE and PCLP for fiscal years 1990 through 1992, inclusive, and the internally generated profit and loss statement for MAE and for PCLP for the period January 1, 1993, through September 30, 1993 (collectively "Financial Statements"), heretofore provided to counsel to Sawco are true, correct and complete. The Financial Statements fairly and accurately present the financial condition of the relevant entity at the respective dates thereof and for the period covered thereby. Each of the financial Statements has been prepared from the books and records of the respective entity based upon generally accepted accounting principles consistently applied.

(j) Immediately prior to the closing date on the Put or Call, those assets of MAE described in Paragraph 9 shall have been distributed by MAE to Sellers (and no others), and the remaining assets and the liabilities of MAE shall be limited to those described in Paragraph 6(d) above. All of the costs of such distributions and assignments (including, but not limited to, Federal and state income taxes, sales, use and transfer taxes, attorneys' fees and other costs) shall be borne by Sellers.

(k) Except as set forth in Exhibit B attached hereto and incorporated herein by reference, since January 1, 1993, MAE and PCLP have conducted business only in the ordinary

course of business, have made no material alteration in the manner in which MAE or PCLP keeps its books, accounts or records or in the accounting practices therein reflected, and has not made any material amendment or termination of any material contract or obligation of MAE or PCLP.

(l) MAE has duly filed all tax returns required to be filed by it. From the inception of its corporate existence to date, MAE has qualified and does qualify as an "S" corporation as defined in Section 1361(a) of the Internal Revenue Code of 1986, as amended, and has maintained and does maintain effective "S" elections with all applicable federal and state taxing authorities which recognize "S" Corporation status.

(m) Except as set forth on Exhibit C, there is no action, suit, arbitration, proceeding, grievance, or investigation pending, or to the best knowledge of Sellers overtly threatened, before any court, tribunal, panel, master or governmental agency, authority or body in which MAE or PCLP is a party.

(n) Sellers have disclosed to Sawco all facts of a material nature known to each of them (after reasonable investigation and inquiry) regarding MAE and PCLP.

(o) Attached hereto as Exhibit D is a listing of all correspondence between MAE and SBC for the period August 8, 1989 through September 30, 1993, which listing was derived from a review of the correspondence file. The

correspondence file, as delivered to counsel for Sawco and as summarized in Exhibit D contained and, as updated to the date hereof, contains all material correspondence between MAE and SBC. All material correspondence which shall or should have been added to the SBC correspondence file since September 30, 1993 and to date has been delivered contemporaneously with the execution hereof.

(p) Attached hereto as Exhibit E is a listing of all correspondence between MAE and Frucon (CPC) for the period June 7, 1990 through September 30, 1993, which listing was derived from a review of the correspondence file. The correspondence file, as delivered to counsel for Sawco and as summarized in Exhibit E contained and, as updated to the date hereof, contains all material correspondence between MAE and Frucon (CPC). All material correspondence which shall or should have been added to the Frucon (CPC) correspondence file since September 30, 1993 and to date has been delivered contemporaneously with the execution hereof.

(q) Attached hereto as Exhibit F is a listing of all documents submitted to Sawco and its counsel by Shareholders in response to counsel's request for documents submitted September 27, 1993 as part of its due diligence review. To the best knowledge of Sellers, (i) the documents listed are all of the documents requested to be provided and the provision thereof is fully responsive to said document

request and (ii) the documents listed are true, correct and complete.

12. Representations and Warranties of Sawco. Sawco hereby represents and warrants to Sellers that (a) it has full corporate power and authority to execute and deliver this Option Agreement and to consummate the transactions contemplated hereby; (b) the execution and delivery of this Option Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by its Board of Directors and no other corporate proceedings on its part are necessary to authorize this Option Agreement or to consummate the transactions so contemplated; (c) this Option Agreement has been duly and validly executed and delivered by it and constitutes a valid and binding agreement of it enforceable against it in accordance with its terms; and (d) no affiliate of it has any claim or cause of action against MAE or Sellers.

13. Termination. Except with respect to the representations and warranties set forth in Paragraphs 11 and 12 hereof and to covenants set forth in Paragraphs 6 and 7 hereof, all of which shall be without limitation, this Option Agreement, and the obligations of Sellers, Tampella and Sawco hereunder, shall automatically terminate upon June 30, 1994, at 5:00 p.m., EDT, unless such termination shall be sooner accomplished by closing on the Put or Call hereunder.

14. Restrictive Legend. Upon the execution of this Agreement, Sellers agree to place, or cause to be placed, a

legend on the certificates representing the Shares, substantially to the following effect:

THE SALE, TRANSFER, ASSIGNMENT, PLEDGE OR ENCUMBRANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A STOCK OPTION AGREEMENT, DATED AS OF NOVEMBER 15, 1994, BY AND AMONG SAWCO CORPORATION, MICHAEL S. FRANCIS, JENNY L. FRANCIS AND MICHAEL H. SCHWARTZ, A COPY OF WHICH AGREEMENT IS ON FILE WITH THE SECRETARY OF THE COMPANY.

So long as this Option Agreement is in effect, Sellers further agree to cause MAE to place a stop transfer order on the books and records of MAE with respect to the transfer of any Shares other than pursuant to the terms and conditions of this Option Agreement.

15. Specific Performance. Sellers acknowledge that the Option granted to Sawco herein, and the Shares covered hereby, are unique and that Sawco will have no adequate remedy at law if any of Sellers breaches any covenant contained herein or fails to perform any of such Seller's obligations under this Option Agreement. The parties agree that Sawco, on the one hand and Sellers on the other shall have the right, in addition to any other rights which either such party may have, to specific performance and equitable injunctive relief if either such party shall fail or threaten to fail to perform its or their

obligations to purchase or sell Shares under this Option Agreement.

16. Condition Precedent. It is absolute condition of the obligations of Tampella and Sawco under the provisions of this Option Agreement that each and all of Sellers sign this Option Agreement.

17. Payment Guaranty. Tampella hereby guarantees to Sellers the payment of the Call Exercise Price or the Put Exercise Price, as applicable, due them from Sawco under this Agreement.

18. Right of Offset. Any claims of Tampella or Sawco arising hereunder against Sellers and/or MAE as a result of the breach by Sellers and/or MAE of any representation, warranty covenant or agreement of Sellers and/or MAE set forth herein shall be satisfied first by a right of set-off against moneys then due and owing hereunder by Tampella and/or Sawco to Sellers.

19. Miscellaneous.

(a) Assignability. No party hereto shall assign any interest herein without the prior written consent of the other parties hereto, which shall not be unreasonably withheld.

(b) Validity. The invalidity or unenforceability of any provision of this Option Agreement shall not affect the validity or enforceability of any other provisions of this

Option Agreement, which shall remain in full force and effect.

(c) Further Assurances. Tampella, Sawco and Sellers will execute and deliver all such further documents and instruments and take all such further action as may be necessary in order to consummate the transactions contemplated hereby.

(d) Third Parties. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give to any third party any rights or remedies by virtue of this Agreement or any exercise or nonexercise of the Put and Call granted hereby.

(e) Amendments or Extension. This Option Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by all the parties hereto. This Option Agreement may be extended upon the mutual written agreement of all of the parties hereto.

(f) Notices. Except as otherwise expressly provided herein, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be furnished by hand delivery, by telegram or telex, or by mail (registered or certified, postage prepaid, return receipt requested) to Sellers and Sawco at the addresses set forth below. Any such notice shall be deemed duly given upon the date it is actually received by the addressee to whom notice

is intended to be given or it is actually delivered at the address of the addressee as shown below:

If to Sellers: Michael S. & Jenny L. Francis
401-A Bibby Street
Charleston, WV 25301

Michael H. Schwartz
1800 Beechwood Boulevard
Pittsburgh, PA 15217

With a copy to: Lee O. Hill, Esquire
Jackson & Kelly
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322

If to Sawco: Hannu Rusanen
Tampella Power Corporation
2600 Reach Road
P.O. Box 3308
Williamsport, PA 17701-0308

With a copy to: Michael G. Jarman, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

The addresses set forth above may be changed by Sellers or Sawco, as the case may be, upon furnishing to the other party a notice of change of address in accordance with the terms of this paragraph. With respect to the notice to be provided under Paragraph 4(a) hereof, each Seller hereby irrevocably appoints and constitutes Michael S. Francis his or her designated representative for purposes of communicating Sellers' decision with respect to the exercise of the Put.

(g) Governing Law. This Option Agreement shall be governed by and construed in accordance with the substantive

law of the Commonwealth of Pennsylvania applicable to contracts made and to be performed in such state.

(h) Counterparts. This Option Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

(i) Effect of Headings. The section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

(j) Time of the Essence. The parties agree that time shall be of the essence in the performance of all obligations hereunder.

(k) Successors and Assigns. This Option Agreement shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, respective successors and permitted assigns.

(l) Integration. This Agreement (including the Exhibits hereto) constitutes the entire agreement between the parties (and their affiliates) regarding the subject matter hereof and replaces any prior agreements or understandings among the parties, including without limitation that contained in the Memorandum of Understanding effective September 13, 1990.

20. Confidentiality. Neither the Sellers, or any of them, on one hand, or Sawco, on the other hand, shall disclose to any third party the nature or existence of this Agreement or the

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

21. Control of Tax Matters. Sellers assume all tax liabilities of MAE accruing to the date of transfer of the Shares. Sellers shall control the prosecution or defense of any disputes with taxing authorities relating to such liabilities, and shall pay all costs relating thereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

Date: _____, 1993

SAWCO, CORPORATION

By _____

ATTEST: _____

SELLERS: _____

Date: _____, 1993

_____(SEAL)
Michael S. Francis

Date: _____, 1993

_____(SEAL)
Jenny L. Francis

Date: _____, 1993

_____(SEAL)
Michael H. Schwartz

[Signatures continued on next page.]

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST: _____

SELLERS: _____

Date: _____, 1993

Michael S. Francis (SEAL)

Date: _____, 1993

Jenny L. Francis (SEAL)

Date: _____, 1993

Michael H. Schwartz (SEAL)

[Signatures continued on next page.]

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST:

Date: _____, 1993

SELLERS:

Michael S. Francis

(SEAL)

Date: _____, 1993

Jenny L. Francis

(SEAL)

Date: _____, 1993

Michael H. Schwartz

(SEAL)

[Signatures continued on next page.]

11/15/93 11:07 412 780 0404

MIDATLANTIC PGH.

003

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST:

SELLERS:

Date: _____, 1993

Michael S. Francis (SEAL)

Date: _____, 1993

Jenny L. Francis (SEAL)Date: 11-15, 1993_____
Michael H. Schwartz (SEAL)

[Signatures continued on next page.]

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By *[Signature]*
JURAN POW TAMPELLA CORP
ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____
ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____
ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

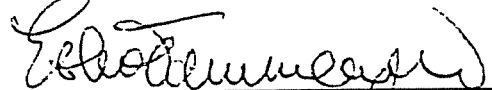
ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: November 15, 1993

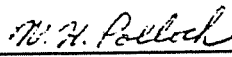
By 

ATTEST:

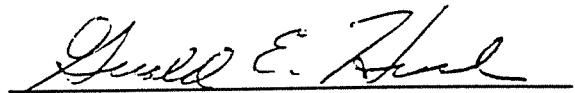


JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: Nov. 15, 1993

By 

ATTEST:



JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

MID-ATLANTIC ENERGY OF PA, INC.

By _____

Its _____
President

JACKSON & KELLY PLLC

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 553

CHARLESTON, WEST VIRGINIA 25322

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December 7, 1999

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TELEPHONE 304-455-1751

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MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

412 MARKET STREET
PARKERSBURG, WEST VIRGINIA 26101
TELEPHONE 304-424-3490

1000 TECHNOLOGY DRIVE
FAIRMONT, WEST VIRGINIA 26554
TELEPHONE 304-368-2000

1144 MARKET STREET
WHEELING, WEST VIRGINIA 26003
TELEPHONE 304-233-4000

1660 LINCOLN STREET
DENVER, COLORADO 80264
TELEPHONE 303-390-0003

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

MEMBER OF LEX MUNDI,
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS

Sharon Dulaney, Clerk
Wetzel County Circuit Court
P.O. Box 263
New Martinsville, WV 26155

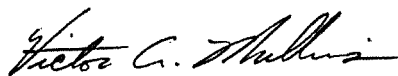
Re: Michael S. Francis, et al. v. PennPower, Inc., et al.
Civil Action No. 99-C-71-M

Dear Ms. Dulaney:

Enclosed please find six original summonses in the above-referenced civil action. Please issue and return the summonses to me so that we may forward them to the Secretary of State for service of process.

Thank you for your attention to this matter.

Respectfully,



Victor A. Mullins
Legal Assistant

VAM/
Enclosures

I HEREBY CERTIFY THAT THE ANNEXED INSTRUMENT IS
A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE
IN MY OFFICE
ATTEST: Sharon Dulaney CIRCUIT CLERK
BY: Jean Bliss WETZEL CO. WEST VIRGINIA
DEPUTY CLERK

FILED
99 DEC -9 AM 10:27
SHARON DULANEY
CIRCUIT CLERK
WETZEL COUNTY, WV

SENDER: <input type="checkbox"/> Check box at right if you require restricted delivery. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered. 3. Article Addressed to: 98-C-71-M		I also wish to receive the following services (for an extra fee): <input type="checkbox"/> Restricted Delivery <input checked="" type="checkbox"/> Consult postmaster for fee.	
PennPower, Inc. Prentice Hall Corporation Systems 1013 Center Road Wilmington, DE 19805		4a. Article Number P 970 617 263	
5. Received By: (Print Name)		4b. Service Type <input checked="" type="checkbox"/> CERTIFIED	
6. Signature: (Addressee or Agent) <i>X Mark C. Barbaugh</i>		7. Date of Delivery 11/16/99	
PS Form 3811, December 1994		8. Addressee's Address	

Domestic Return Receipt

KEN HECHLER
Secretary of State

MARY P. RATLIFF
Deputy Secretary of State

JAN CASTO
Deputy Secretary of State

CATHERINE FREROTTE
Executive Assistant

Telephone: (304) 558-6000
Corporations: (304) 558-8000
FAX: (304) 558-0900
e-mail: vhaught@secretary.state.wv.us



STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K
1900 Kanawha Blvd., East
Charleston, WV 25305-0770

WILLIAM H. HARRINGTON
Chief of Staff

JUDY COOPER
Director, Administrative Law

Penney Barker
Supervisor, Corporations

(Plus all the volunteer
help we can get)

Sharon Yoho Dulaney
Wetzel County Circuit Court
Wetzel County Courthouse
New Martinsville, WV 26155

LEGAL NOTICE

November 29, 1999

I am enclosing

<input type="checkbox"/> summons	<u>1</u> original
<input type="checkbox"/> notice	<input type="checkbox"/> affidavit
<input type="checkbox"/> order	<input type="checkbox"/> answer
<input type="checkbox"/> petition	<input type="checkbox"/> cross-claim
<input type="checkbox"/> motion	<input type="checkbox"/> counterclaim
<input type="checkbox"/> interrogatories	<input type="checkbox"/> request
<input type="checkbox"/> suggestions	<input type="checkbox"/> demand
<input type="checkbox"/> subpoena duces tecum	<input type="checkbox"/> default judgement
<input type="checkbox"/> summons and complaint	<input type="checkbox"/> complaint
<input type="checkbox"/> 3rd party summons & complaint	<input type="checkbox"/> notice of mechanic's lien
<input type="checkbox"/> summons returned from post office	<input type="checkbox"/> suggestee execution
<u>1</u> <u>Certified Return Receipt</u>	

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99 DEC -1 AM 10:42
SHARON Y. DULANEY
CIRCUIT CLERK
WETZEL COUNTY, WV

which was served on the Secretary at the State Capitol in his capacity as your statutory attorney-in-fact.
According to law, I have accepted service of process.

☐ in your name and on your behalf.
☐ in the name and on behalf of your corporation.
☐ in the name and on behalf of your unauthorized foreign corporation.
☐ in the name and on behalf of your authorized insurance company.
~~XXXX~~ in the name and on behalf of

99-G-17 M Penn Power Inc., c/o Prentice Hall Corporation

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in your name and on your behalf as your attorney-in-fact. Please address any questions about these documents directly to the court or to the plaintiff's attorney, shown in the enclosed paper. Please, do not call the Secretary of State's Office.

Sincerely,

Vicki Haught
Vicki Haught
Supervisor

WILLIAM H. HARRINGTON
Chief of StaffJUDY COOPER
Director, Administrative LawPenney Barker
Supervisor, Corporations(Plus all the volunteer
help we can get)

STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K
1900 Kanawha Blvd., East
Charleston, WV 25305-0770KEN HECHLER
Secretary of StateMARY P. RATLIFF
Deputy Secretary of StateIAN CASTO
Deputy Secretary of StateCATHERINE FREROTTE
Executive AssistantTelephone: (304) 558-6000
Corporations: (304) 558-8000
FAX: (304) 558-0900
e-mail: vhaught@secretary.state.wv.us

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☐ in the name and on behalf of your unauthorized foreign corporation.
☐ in the name and on behalf of your authorized insurance company.
☒ XXXX in the name and on behalf of

99-C-71 M Penn Power Inc.

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Sincerely,

Vicki Haught
Supervisor

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Secretary of State

MARY P. RATLIFF
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JAN CASTO
Deputy Secretary of State

CATHERINE FREROTTE
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- ☐ suggestee execution

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 CLERK OF COURT
 WETZEL COUNTY, WV

which was served on the Secretary at the State Capitol in his capacity as your statutory attorney-in-fact.
According to law, I have accepted service of process.

- ☐ in your name and on your behalf.
- ☐ in the name and on behalf of your corporation.
- ☐ in the name and on behalf of your unauthorized foreign corporation.
- ☐ in the name and on behalf of your authorized insurance company.
- XXXX in the name and on behalf of

99-C-71 M Tamrock Corp.

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Sincerely,

Vicki Haught
Vicki Haught
Supervisor

KEN HECHLER
Secretary of State

MARY P. RATLIFF
Deputy Secretary of State

JAN CASTO
Deputy Secretary of State

CATHERINE FREROTTE
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CIRCUIT CLERK
WETZEL COUNTY, WV

which was served on the Secretary at the State Capitol in his capacity as your statutory attorney-in-fact.
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☐ in the name and on behalf of your unauthorized foreign corporation.
☐ in the name and on behalf of your authorized insurance company.
☒ XXX in the name and on behalf of

99-C-71 M Tamrock Corp., c/o Corporation trust

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in your name and on your behalf as your attorney-in-fact. Please address any questions about these documents directly to the court or to the plaintiff's attorney, shown in the enclosed paper. Please, do not call the Secretary of State's Office.

Sincerely,

Vicki Haught
Supervisor

SENDER: ■ Check box at right if you require restricted delivery. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ The Return Receipt will show to whom the article was delivered and the date delivered. 99-C-71-M		I also wish to receive the following services (for an extra fee): <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Tamrock Corp Corporation Trust company 1208 Orange Street Wilmington, DE 19801		4a. Article Number P 970 617 265	
5. Received By: (Print Name)		4b. Service Type <input checked="" type="checkbox"/> CERTIFIED	
6. Signature: (Addressee or Agent) X <i>Jaime A. Santiago</i>		7. Date of Delivery 11-19-1999	
PS Form 3811, December 1994		8. Addressee's Address Domestic Return Receipt	

JACKSON & KELLY PLLC

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 553

CHARLESTON, WEST VIRGINIA 25322

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November 9, 1999

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1660 LINCOLN STREET
DENVER, COLORADO 80264
TELEPHONE 303-390-0003

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

MEMBER OF LEX MUNDI,
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

412 MARKET STREET
PARKERSBURG, WEST VIRGINIA 26101
TELEPHONE 304-424-3490

1000 TECHNOLOGY DRIVE
FAIRMONT, WEST VIRGINIA 26554
TELEPHONE 304-368-2000

Carol L. Hassig, Clerk
Wetzel County Circuit Court
P.O. Box 263
New Martinsville, WV 26155

99-C-71-M

Re: Michael S. Francis, et al. v. PennPower, Inc., et al.

Dear Ms. Hassig:

Enclosed please find the following documents to initiate the above-referenced civil action:

1. Civil Case Information Statement (original and one copy);
2. Complaint (original and nine copies);
3. Summons (three originals directed to defendant PennPower, Inc. via their registered agent);
4. Summons (three originals directed to defendant PennPower, Inc. via their agent);
5. Summons (three originals directed to defendant Tamrock Corp. via their registered agent);
6. Summons (three originals directed to defendant Tamrock Corp. via their agent);
7. Our firm's check in the amount of \$75.00 to cover the required filing fee.

Mailed
Summons +
complaint back
11-10-99

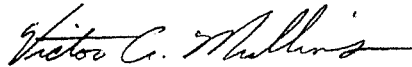
Carol L. Hassig, Circuit Court Clerk of Wetzel County, West Virginia
November 9, 1999
Page -2-

I have been in contact with the Process Division of the West Virginia Secretary of State's Office and was informed that no bond is required when its office accepts service on behalf of foreign corporations. A bond is required, I am told, only when an individual is the target of process.

Please file the original Complaint with the Court, issue the Summonses, and return the date-stamped copies of the Complaint and issued Summonses to my attention.

Should you have any questions, please do not hesitate to contact me at the above direct dial number. Thank you for your attention to this matter.

Respectfully,



Victor A. Mullins
Legal Assistant

VAM/
Enclosures

**CIVIL CASE INFORMATION STATEMENT
CIVIL CASES**

FILED
99 NOV 10 AM 10:53
CIRCUIT CLERK
WETZEL COUNTY, WV

In the Circuit Court of Wetzel County, West Virginia

.....
I. CASE STYLE:

Plaintiff(s)

MICHAEL S. FRANCIS, et al.

Case # 99-C-71-M

Judge Madden

vs.

Defendant(s)

PENPOWER, INC.
c/o Prentice Hall Corp.
System, Inc., Reg. Agent
1013 Center Road
Street
Wilmington, DE 19805
City, State, Zip

Days to

<u>Answer</u>	<u>Type of Service</u>
<u>30</u>	<u>WV Secretary of State</u>

TAMROCK CORP.
c/o Corporation Trust
Company, Registered Agent
1209 Orange Street
Street
Wilmington, DE 19801
City, State, Zip

<u>30</u>	<u>WV Secretary of State</u>
-----------	------------------------------

Street

City, State, Zip

Street

City, State, Zip

Original and 9 copies of complaint furnished herewith.

**CIVIL CASE INFORMATION STATEMENT
CIVIL CASES**

FILED
NOV 10 AM 10:53
CIRCUIT COURT
WETZEL COUNTY, WV

In the Circuit Court of Wetzel County, West Virginia

.....
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Plaintiff(s)

MICHAEL S. FRANCIS, et al.

Case # 99-C-71-M

Judge _____

vs.

Defendant(s)

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System, Inc., Reg. Agent
1013 Center Road
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City, State, Zip

Days to

Answer

Type of Service

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WV Secretary of State

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c/o Corporation Trust
Company, Registered Agent
1209 Orange Street
Street
Wilmington, DE 19801
City, State, Zip

30

WV Secretary of State

Street

City, State, Zip

Street

City, State, Zip

Original and 9 copies of complaint furnished herewith.

IN THE CIRCUIT COURT OF WETZEL COUNTY, WEST VIRGINIA

MICHAEL S. FRANCIS, an individual,
WILLIAM E. CARPENTER, JR., in his
capacity as the executor of the estate of
JENNY L. FRANCIS, deceased, and
MICHAEL H. SCHWARTZ, an individual,

Plaintiffs,

v.

CIVIL ACTION NO.: 99-C-71-M

PENNPOWER, INC., a Delaware
corporation, and TAMROCK CORP.,
formerly known as TAMPELLA CORP., a
Finnish corporation,

Defendants.

COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES

For their respective complaint against the above-named defendants, the plaintiffs
MICHAEL S. FRANCIS, WILLIAM E. CARPENTER, JR., in his capacity as the executor of
the estate of JENNY L. FRANCIS, and MICHAEL H. SCHWARTZ, and each of them, allege
and aver:

PARTIES

1. MICHAEL S. FRANCIS is an individual who is a resident of the
Commonwealth of Pennsylvania with his principal residence situated within Allegheny County
("Mr. Francis"). At times relevant to the matters set forth in the complaint, Mr. Francis was
a resident of the State of West Virginia with his principal residence situated within Kanawha
County.

2. WILLIAM J. CARPENTER is an individual who is serving as the executor of the estate of JENNY L. FRANCIS who, at the time of her death, was a resident of the State of South Carolina ("Mr. Carpenter"). At times relevant to the matters set forth in the complaint, JENNY L. FRANCIS was a resident of the State of West Virginia with her principal residence situated within Kanawha County.

3. MICHAEL H. SCHWARTZ is an individual who is, and at all times relevant to the matters set forth in the complaint was, a resident of the Commonwealth of Pennsylvania with his principal residence situated within Allegheny County ("Mr. Schwartz").

4. PENNPOWER, INC., formerly known as SAWCO CORPORATION, is a business corporation organized under the laws of the State of Delaware which did business in the Commonwealth of Pennsylvania at offices or facilities situated in Williamsport, Pennsylvania, but which, at this time, does no business, has no principal office, and exists as a corporate entity solely for the purpose of defending the claims for relief set forth in this complaint ("PENNPOWER").

5. TAMROCK, CORP., formerly known as TAMPELLA CORP., is a foreign corporation organized under, and existing pursuant to, the laws of Finland but which maintains, and at all times relevant to the matters set forth in this complaint maintained, offices or agents in the Commonwealth of Pennsylvania for purposes which include, but is not limited to, resolving its and PENNPOWER's liabilities to the plaintiffs in this civil action ("Tampella").

JURISDICTION

6. Pursuant to the provisions of W. Va. Code § 31-1-15 and W. Va. Code § 56-3-33, the Court has jurisdiction over the person of each of the defendants in that the

defendants have transacted business in this state by reason of their execution of a contract that has been, and is to be, performed in the State of West Virginia.

VENUE

7. This Court is a proper venue for the prosecution of the matters set forth in this complaint for the reason that the contractual obligations which are the subject matter of this civil action are required to be performed within this venue.

CAUSE OF ACTION

8. On or about the date of November 15, 1993, Mr. Francis, JENNY L. FRANCIS ("Ms. Francis"), and Mr. Schwartz, individually and collectively (the "Plaintiffs"), executed a STOCK OPTION AGREEMENT to which PENNPOWER was a party. A true copy of the STOCK OPTION AGREEMENT is attached to, and incorporated in, this complaint as Exhibit "1."

9. The STOCK OPTION AGREEMENT related to the sale of the shares of stock of MID-ATLANTIC ENERGY OF PA, INC., a corporation duly organized under, and existing pursuant to, the laws of the State of West Virginia ("MAE").

10. Before the date of the execution of the STOCK OPTION AGREEMENT, Mr. Francis, Ms. Francis, and Mr. Schwartz, collectively, held title to all the issued and outstanding shares of the stock of MAE.

11. MAE was the general partner of PINEY CREEK LIMITED PARTNERSHIP which was a limited partnership organized pursuant to, and existing under, the laws of the Commonwealth of Pennsylvania ("Piney Creek").

12. Piney Creek held title to a small power production facility situated in Piney Township, Clarion County, Pennsylvania (the "Project").

13. By reason of the execution of the STOCK OPTION AGREEMENT, PENNPOWER was to acquire title to all the issued and outstanding shares of MAE ("Shares").

14. As set forth in the provisions of the STOCK OPTION AGREEMENT, PENNPOWER held an option to purchase the Shares, and Mr. Francis, Ms. Francis, and Mr. Schwartz had the right to cause PENNPOWER to purchase the Shares.

15. Pursuant to the provisions of the STOCK OPTION AGREEMENT, Mr. Francis, Ms. Francis, and Mr. Schwartz invoked their right to require PENNPOWER to purchase the Shares.

16. Mr. Francis, Ms. Francis, and Mr. Schwartz did, in fact, transfer title to the Shares to PENNPOWER.

17. Pursuant to the provisions of the STOCK OPTION AGREEMENT, the amount of \$250,000 represented the final installment of the consideration for the Shares which was to be paid to Mr. Francis, Ms. Francis, and Mr. Schwartz when three conditions precedent were satisfied (the "Additional Payment").

18. The first condition precedent was that the lender for the Project and Tampella had to execute a written agreement effectively releasing Tampella from a guaranty of the funding of cost overruns incurred by the Project at certain stages of the Project, including the commencement stage of its commercial operation and the correction stage of certain construction defects (the "First Condition").

19. The second condition precedent was that the lender had to agree to permit reserve funds or revenues of Piney Creek to be used for the payment of certain operational and maintenance charges of the Project's operator which was, and remains, a subsidiary of Tampella (the "Second Condition").

20. The third condition precedent was that no default was to be declared between the lender and Piney Creek requiring additional capital contributions from the remaining partners of Piney Creek by reason of Piney Creek's correction of an error that had resulted in an organizational cost being improperly listed as an account receivable from MAE (the "Third Condition").

21. In the express provisions of the STOCK OPTION AGREEMENT, Tampella guaranteed the payment of the Additional Payment by PENNPOWER to Mr. Francis, Ms. Francis, and Mr. Schwartz and evidenced its guaranty by signing the STOCK OPTION AGREEMENT.

22. To the date of the filing of this complaint, PENNPOWER has not made the Additional Payment.

CLAIMS FOR RELIEF

FIRST COUNT **(Declaratory Relief)**

23. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

24. The Plaintiffs are informed and, therefore, believe that the First Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

25. The Plaintiffs are informed and, therefore, believe that the Second Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

26. The Plaintiffs are informed and, therefore, believe that the Third Condition has been satisfied, or should be deemed to be satisfied, by reason of a sale of PENNPOWER's shares of stock of MAE to Colmac Clarion, Inc., in July of 1997.

27. To the extent that any one of the First Condition, the Second Condition, or the Third Condition has not been formally or technically satisfied, the Plaintiffs believe that, if PENNPOWER or Tampella had acted in good faith and with due diligence, the conditions could and would have been formally or technically satisfied by this time.

28. An implied covenant in the STOCK OPTION AGREEMENT was that SAWCO or Tampella would act in good faith toward, and would fairly deal with, the Plaintiffs requiring, therefore, that PENNPOWER or Tampella, with all due diligence and commitment, would cause the First Condition, the Second Condition, and the Third Condition to be fully and completely satisfied at the earliest possible date.

29. The Plaintiffs request the declaration of this Court with respect to the rights of the parties under the STOCK OPTION AGREEMENT including, but not limited to, a declaration that the conditions precedent to the Additional Payment have been or should have been satisfied and that the Additional Payment is due and owing by PENNPOWER to the Plaintiffs at this time.

SECOND COUNT
(Breach of Contract)

30. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

31. Notwithstanding its request for a declaration of the parties' respective rights, the Plaintiffs affirmatively allege that the Additional Payment is due and owing by SAWCO to the plaintiffs at this time and that PENNPOWER has refused to make the Additional Payment notwithstanding the Plaintiffs' demand for the Additional Payment.

32. Accordingly, PENNPOWER has breached its contractual obligations to the Plaintiffs.

33. Plaintiffs have been damaged by the actions and conduct of PENNPOWER in an amount equal to the Additional Payment plus accrued, and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

THIRD COUNT
(Breach of Contract)

34. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

35. Tampella has guaranteed the payment by PENNPOWER of the Additional Payment.

36. PENNPOWER has refused to pay the Additional Payment.

37. Accordingly, Tampella is obligated to pay to the Plaintiffs the Additional Payment plus accrued, and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

FOURTH COUNT
(Breach of the Covenant of Good Faith and Fair Dealing)

38. The Plaintiffs incorporate by this reference each and every allegation set forth in paragraphs 6 through 22, inclusive, and paragraphs 24 through 29, inclusive, of this complaint as though the allegations were fully set forth in this paragraph.

39. If the Court declares that the First Condition, the Second Condition, and the Third Condition (the "Conditions") have not been fulfilled or should not be deemed to be fulfilled, this declaration shall have necessarily resulted from the failure of PENNPOWER and Tampella to fulfill the Conditions.

40. Pursuant to the STOCK OPTION AGREEMENT, PENNPOWER and Tampella, and each of them, had an obligation to perform the express covenants of the agreement in good faith and in fairness to the Plaintiffs.

41. PENNPOWER and Tampella have, in fact, made no attempt to satisfy the Conditions and, indeed, may have fashioned or manipulated the sale of the stock of MAE in a manner that purposefully avoided the satisfaction of the Conditions.

42. PENNPOWER and Tampella have taken actions to prevent the Plaintiffs from receiving the Additional Payment, including, but not limited to, refusing to inform the Plaintiffs regarding the sale of the shares of MEA and refusing to divulge the terms and conditions of the sale.

43. PENNPOWER and Tampella have failed to act in good faith and in fairness to the Plaintiffs in contravention of the implied covenant in the STOCK OPTION AGREEMENT to do so with respect to fulfilling the Conditions.

44. The Plaintiffs have been injured by reason of the breach of the covenant of good faith and fair dealing and, as a result, PENNPOWER and Tampella, and each of them, is obligated to pay to the Plaintiffs an amount equal to the Additional Payment plus accrued,

and additionally accruing, interest and incurred, and any additionally incurred, expenses of collection.

WHEREFORE, the Plaintiffs, and each of them, hereby pray for the following relief with respect to the complaint:

1. That with respect to the First Count, the Court enter its judgment declaring that all conditions precedent to the Additional Payment have been, or should have been, satisfied, and that the Additional Payment is, at this time, due and owing to the Plaintiffs, and each of them, by PENNPOWER;

2. That with respect to the Second Count, the Court enter its judgment in favor of the Plaintiffs and against PENNPOWER awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys;

3. That with respect to the Third Count, the Court enter its judgment in favor of the Plaintiffs and against Tampella awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys;

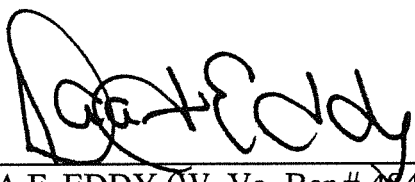
4. That with respect to the Fourth Count, the Court enter its judgment in favor of the Plaintiffs and against each of Tampella and PENNPOWER awarding damages in the amount of \$250,000 together with pre-judgment and post-judgment interest at the maximum allowable legal rate and assessing any and all allowable costs of this action, including fees and expenses of attorneys; and

5. That with respect to all counts of the complaint, the Court award such other and further relief to the Plaintiffs as the Court deems to be just and proper.

A TRIAL BY JURY IS DEMANDED AS TO ALL ISSUES TRIABLE TO A JURY.

MICHAEL S. FRANCIS, an individual, WILLIAM E. CARPENTER, JR., in his capacity as executor for the estate of JENNY L. FRANCIS, deceased, and MICHAEL H. SCHWARTZ, an individual

By Counsel



DANA F. EDDY (W. Va. Bar # 4848)
SHAWN L. REED (W. Va. Bar # 6801)
JACKSON & KELLY PLLC
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322
(304) 340-1307

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT, effective as of November 15, 1993 (the "Option Agreement"), is entered into by and among SAWCO CORPORATION, a Delaware corporation ("Sawco"), MID-ATLANTIC ENERGY OF PA, INC., a West Virginia corporation ("MAE") and MICHAEL S. FRANCIS, JENNY L. FRANCIS, and MICHAEL H. SCHWARTZ (hereinafter individually referred to as a "Seller" and collectively referred to as the "Sellers").

WHEREAS, Sellers own beneficially and of record those shares of capital stock of MAE as set forth opposite their respective individual names on Exhibit A attached hereto, which stock in the aggregate constitutes all of the issued and outstanding shares of MAE (collectively, the "Shares"); and

WHEREAS, MAE is the sole general partner of PINEY CREEK LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("PCLP"), of which Sawco and its affiliate, TAMPELLA POWER CORPORATION, a Delaware corporation ("TPC"), are the sole limited partners; and

WHEREAS, PCLP owns a small power production facility situate in Piney Township, Clarion County, Pennsylvania ("Project"); and

WHEREAS, on or about November 3, 1993, TPC and Sellers executed a Memorandum of Agreement in Principle which outlined the terms of an option agreement under which TPC or its affiliate could acquire, or be obligated to acquire, the Shares from Sellers ("Letter of Intent"); and

WHEREAS, the parties hereto wish to set forth the terms and conditions as contemplated by the Letter of Intent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Recitals. The foregoing recitals are incorporated into the body of this Agreement and made a part hereof.

2. Right to Call Shares.

(a) Grant. Sellers hereby grant to Sawco, as the designee of TPC under the Letter of Intent, all the rights and obligations reserved to TPC thereunder (except for such obligations as are assumed by Tampella under Paragraphs 7, 17 and 19(c) hereof), including, without limitation, the option to purchase from Sellers during the period commencing this date and extending to and including June 30, 1994 (the "Call Term") all, and not less than all, of the Shares (the "Call").

(b) Consideration. In consideration of the grant of the Call, and to induce same, Sawco is paying to Sellers contemporaneous with the execution of this Agreement, a option fee of \$500,000 (allocated among Sellers in accordance with their relative interests in MAE as set forth on Exhibit A), which amount shall be applied against the first installment of the purchase price for the Shares when

and if acquired hereunder (either by Call or Put) and is otherwise nonrefundable. The option fee is being paid by wire transfer to Sellers' designated account(s) at the Bank of Paden City, Paden City West Virginia.

(c) Call Purchase Price. The aggregate purchase price (the "Call Exercise Price") to be paid by Sawco for the Shares upon exercise of the Call is \$1,355,000, payable (i) \$500,000 by application of the option fee theretofore paid under subparagraph (b) above, (ii) \$655,000 in guaranteed funds to Sellers (allocated among Sellers in accordance with their respective interests in MAE as set forth on Exhibit A), upon the closing on the Call, and (iii) the balance of \$200,000 in guaranteed funds to Sellers (allocated as aforesaid) upon the earlier of (A) the sale of the limited partners' equity in PCLP, (B) a refinancing of the Project which produces excess cash (i.e. any amount by which the proceeds of such refinancing exceeds the sum of the payoff of the prior indebtedness and the costs incurred to effect the refinancing) at settlement to PCLP, but only to the extent of such excess cash less than \$200,000 (with the balance of such \$200,000, if any, to be paid on June 30, 1994) or (c) June 30, 1994.

(d) Nature. The grant of the Call is irrevocable and exclusive.

3. Right to Put Shares.

(a) Grant. Sawco hereby grants to Sellers (acting together) the right to require Sawco to purchase at any time during the period commencing January 1, 1994, and extending to and including June 30, 1994 ("Put Term") all, and not less than all, of the Shares ("Put").

(b) Put Purchase Price. The aggregate purchase price ("Put Exercise Price") to be paid by Sawco for the Shares upon exercise of the Put is as follows:

(i) If at the time of the exercise of the Put, all of the Conditions (hereinafter defined) have been satisfied, the Put Exercise Price shall be the same as the Call Exercise Price and paid in the same manner, each as described in Paragraph 2(c) above.

(ii) If at the time of the exercise of the Put, all of the Conditions are not satisfied, the Put Exercise Price shall be \$1,105,000, payable (A) \$500,000 by application of the option fee theretofore paid under Paragraph 2(b) above, (B) \$405,000 in guaranteed funds to Sellers (allocated among them in accordance with their relative interests in MAE as set forth on Exhibit A) upon the closing on the Put, and (C) the balance of \$200,000 in accordance with the provisions of Paragraph 2(c)(iii) above. An additional \$250,000 shall be payable in guaranteed funds

(allocated as aforesaid) if and when all of the Conditions have thereafter been satisfied.

(ii) The "Conditions" are:

A. The execution by Swiss Bank Corporation ("SBC") as lead lender to the Project of a written agreement with TAMPELLA CORP, Tampere, Finland, a Finnish corporation ("Tampella"), on terms which require the payment or posting of no additional moneys or recourse to SBC by PCLP, TPC, Sawco, Tampella, or any of their affiliates (including, without limitation, MAE after the acquisition of the Shares as contemplated in this Option Agreement), to the effect that SBC will cause a release of Tampella's entire \$2,000,000 cost overrun guaranty upon (aa) commercial conversion of the Project and (bb) remediation of certain Project construction defects (outlined in the SE Technologies Deficiency Corrective Action Report dated August 13, 1993 and currently in possession of all parties hereto) by the contractor or Sawco within a budget reasonably determined by SBC.

B. The agreement by SBC, on terms reasonably acceptable to Sawco, to release PCLP funds and/or Project operating revenues for the payment of the Project operator's O&M charges from and after March 6, 1993 (other than Subordinated O&M charges which will be

paid pursuant to the terms of applicable Project documents).

C. That by the date when the latter of the events described in clauses (A) or (B) has occurred, SBC has not asserted a default or breach by PCLP of PCLP's Credit Agreement with SBC as a result of the reclassification of PCLP's account receivable from MAE as further described in Paragraph 10, which would require TPC, Sawco, Tampella or any of their affiliates (including, without limitation, MAE after the acquisition of the Shares as contemplated in this Option Agreement) to provide additional capital to PCLP to eliminate such account receivable.

4. Exercise of Call or Put.

(a) Subject to the conditions set forth herein, the Call or Put may be exercised by Sawco or Sellers, as the case may be, for all and not less than all of the Shares during the Call Term or Put Term, as the case may be. In the event Sawco or Sellers elect to exercise the Call or Put, as the case may be, Sawco or Sellers, as the case may be, shall send a written notice of exercise to Sellers or Sawco, as the case may be, specifying the place and date (not later than five (5) business days nor earlier than three (3) business days from the date such notice is mailed) of such closing.

(b) Sellers, and each of them, represent(s) that he or she has not, and prior to the expiration of the Call or Put will not, take any action which would have the effect of preventing or disabling Sellers from delivering the Shares to Sawco upon exercise of the Call or otherwise preventing or disabling Sellers from performing their obligations or Sawco from exercising its rights under this Call. Without limiting the generality of the foregoing, Sellers agree not to (i) take any action which would have the effect of changing any of Sellers' voting or equity interests in MAE, or (ii) permit MAE, (A) to issue any shares of its capital stock, or issue or create any warrants, obligations, subscriptions, options, or convertible securities, or other commitments under which any additional shares of its capital stock may be authorized or issued, or transferred from treasury or (B) sell, dispose or otherwise transfer any of its interest in PCLP.

5. Delivery. At the closing on the Put or Call hereunder, (a) Sawco shall pay Sellers the applicable portion of the Call or Put Exercise Price for the Shares and (b) each Seller shall deliver to Sawco stock certificates duly executed in transferable form (or with appropriate stock powers attached) representing such Seller's respective shares so purchased.

6. Affirmative Covenants of Sellers.

(a) Commencing on the date hereof and extending to an through December 31, 1993, Sellers shall cause MAE to work

cooperatively with Sawco and use best efforts to resolve major Project issues in a manner reasonably satisfactory to Sawco, such efforts to include (by way of illustration and not limitation):

(i) negotiating a settlement with FruCon of all contractor issues in a manner consistent with FruCon's September 8, 1993 settlement offer (with such additions and modifications as are reasonably acceptable to both MAE and Sawco);

(ii) negotiating a settlement with SBC which allows for a release of PCLP funds and/or Project operating revenues to pay operating costs to facilitate payment of Project costs such as those outlined in Paragraph 7(a), (b) and (c), under terms and conditions reasonably acceptable to MAE and Sawco;

(iii) achieving the Conditions;

(iv) resolving the Project's ash problem; and

(v) producing an agreement by all necessary parties with respect to the increase in Project output by an additional 3 megawatts or additional total megawatt hours per annum with up to 100% capacity factor at 30 megawatt capacity.

During such period, Sellers shall continue to devote their time and attention to MAE and PCLP affairs in a manner consistent with past practice.

necessary to maintain MAE's "S" Corporation status as further described in Paragraph 11(1).

7. Affirmative Covenants of Tampella.

(a) On or before December 1, 1993 Tampella shall cause payment of certain scheduled and accrued third-party liabilities of PCLP (on behalf of PCLP and the Project) to include Orrick Harrington, Dewey Ballentine, Deloitte & Touche and legal costs for the FruCon (CPC) arbitration, such liabilities currently total approximately \$162,000, as well as third-party liabilities of PCLP which are reasonably and necessarily incurred for fair value, from and after the date hereof and continuing for the duration of this Agreement.

(b) From the date hereof and extending until transfer of the Shares, Tampella shall cause payment of Project G&A costs to MAE in the budgeted amount of \$13,333 per month. Fractional months' G&A will be prorated.

(c) From the date hereof, Tampella shall indemnify Sellers from and against liabilities to FruCon (CPC) or SBC for legal (White & Case) or technical (R.W. Beck) expenses related to the Project which may be adjudicated against Sellers with respect to a court-determined piercing of the MAE corporate veil and as a result of MAE's activities as the general partner of PCLP. Such indemnification shall not, however extend to liabilities arising out of a breach of MAE of this Agreement. The defense of any indemnified

liability issue hereunder (including the defense of any veil-piercing issue) shall be controlled and paid for by Tampella. Additionally, from and after this date, Sawco and each affiliate thereof (i.e. Tampella Services, Inc. and TPC) hereby waives any claim or action against MAE or Sellers for actions taken at any time by MAE or Sellers in the carrying out of MAE's obligations as general partner of PCLP which are taken in good faith and not in violation of this Agreement.

(d) The parties understand and agree that the costs or indemnified liabilities which Tampella shall cause to be paid under this Paragraph 7 are costs or liabilities of PCLP and that, if moneys are advanced by Tampella, or by Tampella through its affiliate, to PCLP and/or MAE for payment of these costs or liabilities, then, if and when funds are made available to PCLP and/or MAE to cover such costs or liabilities, or any of them, MAE shall cause those moneys to be paid over to Tampella or its affiliate, as appropriate, as reimbursement.

8. Conditions of Closing on Put or Call Option. The following shall be conditions of closing on the Put or Call hereunder:

(a) Repayment to MAE of any shareholder loans and advances due from affiliates of MAE; and

(b) MAE shall have made no distribution to Sellers during the period commencing January 1, 1993, and extending

to immediately prior to the transfer of the Shares. The parties acknowledge that immediately prior to such transfer MAE shall then make a distribution to Sellers as described in Paragraph 9 below. In no event and at no time shall MAE have distributed or assigned to Sellers or to any other party, any claim against, or obligation of, PCLP other than that management fee described in Paragraph 7(b) above for the current monthly period, which as of closing on the Put or Call hereunder is accrued but unpaid.

9. Distribution of Certain Assets by MAE. Between the time of the notice of exercise and closing on the Put or Call hereunder, but not otherwise, Sellers shall have the right to cause MAE to distribute to them as the shareholders thereof, any cash of MAE and/or indebtedness due MAE from affiliates of MAE other than PCLP, with the sole exception of a current period fee described in Paragraph 7(b), which as of closing on the Put or Call hereunder shall have been accrued but unpaid.

10. Financial Representations and Covenants of Sellers.

(a) The parties acknowledge that PCLP has currently reflected on its books of account an account receivable in the amount of approximately \$409,000. MAE and Sellers advise and represent and Sawco acknowledges that the classification of such amount as an account receivable is erroneous and that such amount should be reclassified as capitalized organization costs of PCLP.

(b) The parties acknowledge that by law the taxable year of MAE shall terminate with the transfer of the Shares as contemplated herein and consequently Sellers shall report the items of income and expense of MAE from the inception of its fiscal year to the date of such transfer ("Stub Period"). Secondly, the parties agree that if lawful, they will cause the Partnership to allocate to MAE for inclusion in the Stub Period, such percentage of the Partnership's net income/loss for the Stub Period (or each portion thereof) as established under the applicable provisions of the PCLP partnership agreement.

11. Representations and Warranties of Sellers. Each Seller hereby represents and warrants (which shall survive closing on the Put or Call hereunder and any investigation by Sawco and affiliates), and at the closing for the purchase of the Shares by Put or Call each Seller will represent and warrant (which shall survive as aforesaid), that:

(a) Seller is the holder of record of the number of Shares transferred to Sawco at the closing, and such Shares are free and clear of all liens, encumbrances, voting agreements, shareholder agreement, equities, preemptive rights, options, claims, charges and restrictions whatsoever;

(b) Such Seller has the power, right, capacity and authority to execute and deliver this Option Agreement, and to sell, transfer and deliver her or his respective Shares

to Sawco in accordance with the terms, covenants and conditions of this Option Agreement;

(c) This Option Agreement has been duly and validly executed and delivered by such Seller and constitutes a valid and binding agreement of the Seller enforceable against Seller in accordance with its terms;

(d) Such Seller is not subject to or bound by any agreement or judgment, order, writ, prohibition, injunction or decree of any court or other governmental body which would prevent the execution, delivery or performance of this Option Agreement, or the sale, transfer or delivery of the Shares to Sawco as contemplated hereby;

(e) The Shares so transferred by such Seller have been duly authorized, validly issued, fully paid and are nonassessable;

(f) MAE owns the sole general partner interest in PCLP and such is free and clear of all liens, encumbrances and, to the best knowledge of Sellers, any claims whatsoever.

(g) MAE is duly incorporated and organized and validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with full corporate power to own or lease and operate its assets and to carry on its business in the manner in which such business is now being conducted, and is in good standing and duly qualified as a foreign corporation in each other jurisdiction where its failure to obtain and maintain such good standing and

qualification would have a material and adverse effect on its conditions (financial or otherwise), assets or business.

(h) MAE is authorized to issue 20,000 shares of common shares, each with a par value of \$10, of which 6,700 shares are issued and outstanding. The name of and number of shares owned by each of the shareholders of record of such corporation as of the date hereof and as of the closing date on the Put or Call is set forth on Exhibit A. No person, other than as shown on Exhibit A, owns of record or beneficially any of the capital stock of MAE and all of such capital stock will be owned by the persons set forth on Exhibit A on the closing date on the Put or Call. The capital stock shown on Exhibit A comprises all of the issued and outstanding capital stock of MAE. All of the capital stock is validly issued and outstanding, fully paid and nonassessable, and no such capital stock was issued in violation of preemptive rights, nor does any shareholder have a claim to preemptive rights. There is not outstanding any option, warrant or right to purchase from MAE or from any shareholder of MAE, or to require MAE to issue, any capital stock or other security convertible into or exchangeable for shares of such stock or any other security of MAE.

(i) Except as specified in Paragraph 10, the Forms 1120S for MAE for 1990 through 1992, inclusive, the Forms 1065 for PCLP for 1990 through 1992, inclusive, the state

tax returns filed by MAE for such period, the audited financial statements for PCLP and consolidated financial statements for MAE and PCLP for fiscal years 1990 through 1992, inclusive, and the internally generated profit and loss statement for MAE and for PCLP for the period January 1, 1993, through September 30, 1993 (collectively "Financial Statements"), heretofore provided to counsel to Sawco are true, correct and complete. The Financial Statements fairly and accurately present the financial condition of the relevant entity at the respective dates thereof and for the period covered thereby. Each of the financial Statements has been prepared from the books and records of the respective entity based upon generally accepted accounting principles consistently applied.

(j) Immediately prior to the closing date on the Put or Call, those assets of MAE described in Paragraph 9 shall have been distributed by MAE to Sellers (and no others), and the remaining assets and the liabilities of MAE shall be limited to those described in Paragraph 6(d) above. All of the costs of such distributions and assignments (including, but not limited to, Federal and state income taxes, sales, use and transfer taxes, attorneys' fees and other costs) shall be borne by Sellers.

(k) Except as set forth in Exhibit B attached hereto and incorporated herein by reference, since January 1, 1993, MAE and PCLP have conducted business only in the ordinary

course of business, have made no material alteration in the manner in which MAE or PCLP keeps its books, accounts or records or in the accounting practices therein reflected, and has not made any material amendment or termination of any material contract or obligation of MAE or PCLP.

(l) MAE has duly filed all tax returns required to be filed by it. From the inception of its corporate existence to date, MAE has qualified and does qualify as an "S" corporation as defined in Section 1361(a) of the Internal Revenue Code of 1986, as amended, and has maintained and does maintain effective "S" elections with all applicable federal and state taxing authorities which recognize "S" Corporation status.

(m) Except as set forth on Exhibit C, there is no action, suit, arbitration, proceeding, grievance, or investigation pending, or to the best knowledge of Sellers overtly threatened, before any court, tribunal, panel, master or governmental agency, authority or body in which MAE or PCLP is a party.

(n) Sellers have disclosed to Sawco all facts of a material nature known to each of them (after reasonable investigation and inquiry) regarding MAE and PCLP.

(o) Attached hereto as Exhibit D is a listing of all correspondence between MAE and SBC for the period August 8, 1989 through September 30, 1993, which listing was derived from a review of the correspondence file. The

correspondence file, as delivered to counsel for Sawco and as summarized in Exhibit D contained and, as updated to the date hereof, contains all material correspondence between MAE and SBC. All material correspondence which shall or should have been added to the SBC correspondence file since September 30, 1993 and to date has been delivered contemporaneously with the execution hereof.

(p) Attached hereto as Exhibit E is a listing of all correspondence between MAE and Frucon (CPC) for the period June 7, 1990 through September 30, 1993, which listing was derived from a review of the correspondence file. The correspondence file, as delivered to counsel for Sawco and as summarized in Exhibit E contained and, as updated to the date hereof, contains all material correspondence between MAE and Frucon (CPC). All material correspondence which shall or should have been added to the Frucon (CPC) correspondence file since September 30, 1993 and to date has been delivered contemporaneously with the execution hereof.

(q) Attached hereto as Exhibit F is a listing of all documents submitted to Sawco and its counsel by Shareholders in response to counsel's request for documents submitted September 27, 1993 as part of its due diligence review. To the best knowledge of Sellers, (i) the documents listed are all of the documents requested to be provided and the provision thereof is fully responsive to said document

request and (ii) the documents listed are true, correct and complete.

12. Representations and Warranties of Sawco. Sawco hereby represents and warrants to Sellers that (a) it has full corporate power and authority to execute and deliver this Option Agreement and to consummate the transactions contemplated hereby; (b) the execution and delivery of this Option Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by its Board of Directors and no other corporate proceedings on its part are necessary to authorize this Option Agreement or to consummate the transactions so contemplated; (c) this Option Agreement has been duly and validly executed and delivered by it and constitutes a valid and binding agreement of it enforceable against it in accordance with its terms; and (d) no affiliate of it has any claim or cause of action against MAE or Sellers.

13. Termination. Except with respect to the representations and warranties set forth in Paragraphs 11 and 12 hereof and to covenants set forth in Paragraphs 6 and 7 hereof, all of which shall be without limitation, this Option Agreement, and the obligations of Sellers, Tampella and Sawco hereunder, shall automatically terminate upon June 30, 1994, at 5:00 p.m., EDT, unless such termination shall be sooner accomplished by closing on the Put or Call hereunder.

14. Restrictive Legend. Upon the execution of this Agreement, Sellers agree to place, or cause to be placed, a

legend on the certificates representing the Shares, substantially to the following effect:

THE SALE, TRANSFER, ASSIGNMENT, PLEDGE OR ENCUMBRANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A STOCK OPTION AGREEMENT, DATED AS OF NOVEMBER 15, 1994, BY AND AMONG SAWCO CORPORATION, MICHAEL S. FRANCIS, JENNY L. FRANCIS AND MICHAEL H. SCHWARTZ, A COPY OF WHICH AGREEMENT IS ON FILE WITH THE SECRETARY OF THE COMPANY.

So long as this Option Agreement is in effect, Sellers further agree to cause MAE to place a stop transfer order on the books and records of MAE with respect to the transfer of any Shares other than pursuant to the terms and conditions of this Option Agreement.

15. Specific Performance. Sellers acknowledge that the Option granted to Sawco herein, and the Shares covered hereby, are unique and that Sawco will have no adequate remedy at law if any of Sellers breaches any covenant contained herein or fails to perform any of such Seller's obligations under this Option Agreement. The parties agree that Sawco, on the one hand and Sellers on the other shall have the right, in addition to any other rights which either such party may have, to specific performance and equitable injunctive relief if either such party shall fail or threaten to fail to perform its or their

obligations to purchase or sell Shares under this Option Agreement.

16. Condition Precedent. It is absolute condition of the obligations of Tampella and Sawco under the provisions of this Option Agreement that each and all of Sellers sign this Option Agreement.

17. Payment Guaranty. Tampella hereby guarantees to Sellers the payment of the Call Exercise Price or the Put Exercise Price, as applicable, due them from Sawco under this Agreement.

18. Right of Offset. Any claims of Tampella or Sawco arising hereunder against Sellers and/or MAE as a result of the breach by Sellers and/or MAE of any representation, warranty covenant or agreement of Sellers and/or MAE set forth herein shall be satisfied first by a right of set-off against moneys then due and owing hereunder by Tampella and/or Sawco to Sellers.

19. Miscellaneous.

(a) Assignability. No party hereto shall assign any interest herein without the prior written consent of the other parties hereto, which shall not be unreasonably withheld.

(b) Validity. The invalidity or unenforceability of any provision of this Option Agreement shall not affect the validity or enforceability of any other provisions of this

Option Agreement, which shall remain in full force and effect.

(c) Further Assurances. Tampella, Sawco and Sellers will execute and deliver all such further documents and instruments and take all such further action as may be necessary in order to consummate the transactions contemplated hereby.

(d) Third Parties. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give to any third party any rights or remedies by virtue of this Agreement or any exercise or nonexercise of the Put and Call granted hereby.

(e) Amendments or Extension. This Option Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by all the parties hereto. This Option Agreement may be extended upon the mutual written agreement of all of the parties hereto.

(f) Notices. Except as otherwise expressly provided herein, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be furnished by hand delivery, by telegram or telex, or by mail (registered or certified, postage prepaid, return receipt requested) to Sellers and Sawco at the addresses set forth below. Any such notice shall be deemed duly given upon the date it is actually received by the addressee to whom notice

is intended to be given or it is actually delivered at the address of the addressee as shown below:

If to Sellers: Michael S. & Jenny L. Francis
401-A Bibby Street
Charleston, WV 25301

Michael H. Schwartz
1800 Beechwood Boulevard
Pittsburgh, PA 15217

With a copy to: Lee O. Hill, Esquire
Jackson & Kelly
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322

If to Sawco: Hannu Rusanen
Tampella Power Corporation
2600 Reach Road
P.O. Box 3308
Williamsport, PA 17701-0308

With a copy to: Michael G. Jarman, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

The addresses set forth above may be changed by Sellers or Sawco, as the case may be, upon furnishing to the other party a notice of change of address in accordance with the terms of this paragraph. With respect to the notice to be provided under Paragraph 4(a) hereof, each Seller hereby irrevocably appoints and constitutes Michael S. Francis his or her designated representative for purposes of communicating Sellers' decision with respect to the exercise of the Put.

(g) Governing Law. This Option Agreement shall be governed by and construed in accordance with the substantive

law of the Commonwealth of Pennsylvania applicable to contracts made and to be performed in such state.

(h) Counterparts. This Option Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

(i) Effect of Headings. The section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

(j) Time of the Essence. The parties agree that time shall be of the essence in the performance of all obligations hereunder.

(k) Successors and Assigns. This Option Agreement shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, respective successors and permitted assigns.

(l) Integration. This Agreement (including the Exhibits hereto) constitutes the entire agreement between the parties (and their affiliates) regarding the subject matter hereof and replaces any prior agreements or understandings among the parties, including without limitation that contained in the Memorandum of Understanding effective September 13, 1990.

20. Confidentiality. Neither the Sellers, or any of them, on one hand, or Sawco, on the other hand, shall disclose to any third party the nature or existence of this Agreement or the

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

21. Control of Tax Matters. Sellers assume all tax liabilities of MAE accruing to the date of transfer of the Shares. Sellers shall control the prosecution or defense of any disputes with taxing authorities relating to such liabilities, and shall pay all costs relating thereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST: _____

SELLERS: _____

Date: _____, 1993

_____(SEAL)
Michael S. Francis

Date: _____, 1993

_____(SEAL)
Jenny L. Francis

Date: _____, 1993

_____(SEAL)
Michael H. Schwartz

[Signatures continued on next page.]

terms hereof without the express, written consent of the other party. Notwithstanding the foregoing, Sawco may disclose the existence of this Agreement to SBC and FruCon (CPC) in the course of its negotiations with such parties as it may determine in its sole discretion.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

Date: _____, 1993

SAWCO, CORPORATION

By _____

ATTEST: _____

SELLERS:

Date: _____, 1993

_____(SEAL)
Michael S. Francis

Date: _____, 1993

_____(SEAL)
Jenny L. Francis

Date: _____, 1993

_____(SEAL)
Michael H. Schwartz

[Signatures continued on next page.]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST:

Date: _____, 1993

SELLERS:

Michael S. Francis (SEAL)

Date: _____, 1993

Denny L. Francis (SEAL)

Date: _____, 1993

Michael H. Schwartz (SEAL)

[Signatures continued on next page.]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year stated below:

SAWCO, CORPORATION

Date: _____, 1993

By _____

ATTEST:

SELLERS:

Date: _____, 1993

_____(SEAL)
Michael S. Francis

Date: _____, 1993

_____(SEAL)
Jenny L. Francis

Date: 11-15, 1993

_____(SEAL)
Michael H. Schwartz

[Signatures continued on next page.]

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

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PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

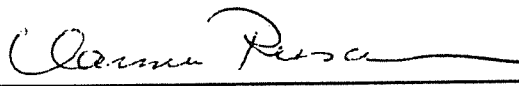
Date: _____, 1993

By _____

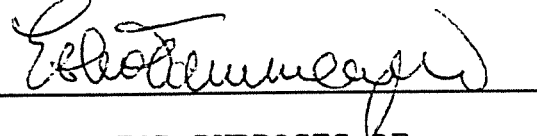
ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: November 15, 1993

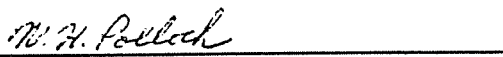
By 

ATTEST:

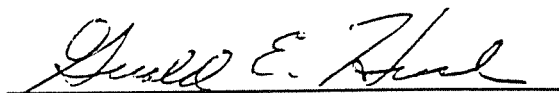


JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: Nov. 15, 1993

By 

ATTEST:



JOINDER FOR PURPOSES OF
PARAGRAPHS 7, 17 AND 19(c)
HEREOF, TAMPELLA CORP

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
THE FINAL SENTENCE OF
PARAGRAPH 11(d) HEREOF,
TAMPELLA SERVICES, INC.

Date: _____, 1993

By _____

ATTEST:

JOINDER FOR PURPOSES OF
PARAGRAPH 11(d) HEREOF,
THE FINAL SENTENCE OF
TAMPELLA POWER CORPORATION

Date: _____, 1993

By _____

ATTEST:

MID-ATLANTIC ENERGY OF PA, INC.

By

Its

[Signature]
President

IN THE CIRCUIT COURT
OF WETZEL COUNTY, WEST VIRGINIA

FILED
99 DEC 11 AM 10:48
CLERK
WETZEL COUNTY, WV

MICHAEL S. FRANCIS,
WILLIAM E. CARPENTER, JR.,
MICHAEL H. SCHWARTZ,

Plaintiffs,

v.

PENNPOWER, INC.,
TAMROCK CORP.,

Defendants.

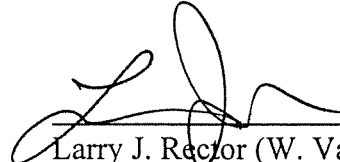
Civil Action No. 99-C-71-M

NOTICE OF FILING NOTICE OF REMOVAL

Defendants PennPower, Inc. and Tamrock Corp. herewith file the attached copy of their Notice of Removal, filed in the United States District Court for the Northern District of West Virginia on December 10, 1999. Pursuant to 28 U.S.C. § 1446(d), the filing of this Notice of Removal effects the removal of the case to the United States District Court for the Northern District of West Virginia, and this Court shall proceed no further with this case unless and until the case is remanded from federal court. Counsel for Defendants certify that a true and correct copy of the foregoing Notice of Filing Notice of Removal was mailed this 10th day of December,

1999 to Dana F. Eddy and Shawn L. Reed, Jackson & Kelly PLLC, 1600 Laidley Tower, P.O.
Box 553, Charleston, WV 25322.

Of Counsel



Larry J. Rector (W. Va. Bar No. 6418)

STEPTOE & JOHNSON

Bank One Center

P. O. Box 2190

Clarksburg, WV 26302-2190

Attorneys for Defendants

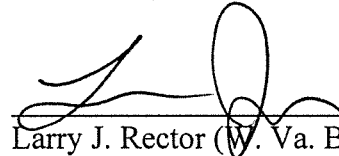
PennPower, Inc. and Tamrock Corp.

Dated: December 10, 1999

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing Notice of Filing Notice of Removal was served by United States first class mail, postage prepaid, upon the following:

Dana F. Eddy
Shawn L. Reed
Jackson & Kelly PLLC
1600 Laidley Tower
P.O. Box 553
Charleston, WV 25322


Larry J. Rector (W. Va. Bar No. 6418)

Dated: December 10, 1999

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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CHARLESTON, W. VA. 25326-1588
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FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 262-3541

BANK ONE CENTER

SIXTH FLOOR

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

December 10, 1999

rectorlj@steptoe-johnson.com

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
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WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
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P.O. BOX 628

PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6463

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
SUITE 210

FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413
(304) 624-8151
WRITER'S DIRECT DIAL NUMBER

Ms. Sharon M. Dulaney, Circuit Clerk
Wetzel County Courthouse
Main and Washington Streets
New Martinsville, WV 26155

Re: Michael S. Francis, et al v. PennPower, Inc., et al
Civil Action No. 99-C-71-M

Dear Ms. Dulaney:

Enclosed is a copy of a "Notice of Removal" and "Proof of Notice of Removal to Adverse Party and Filing of Notice of Removal in State Court" and the original of a "Notice of Filing of Notice of Removal," which the defendants have filed in the above-referenced matter in the United States District Court for the Northern District of West Virginia. I request that you mark these documents "filed" and place them in the appropriate court file. Pursuant to federal law, no further action is to be taken with respect to this case in the Circuit Court of Wetzel County.

Also, pursuant to the Local Rules applicable to the United States District Court for the Northern District of West Virginia, I request that you provide to me a certified copy of any and all documents in your possession concerning the above-captioned case. I will see to it that those documents are filed in the United States District Court for the Northern District of West Virginia. I will pay for any charges associated with this request.

Thank you for your cooperation and assistance. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Larry J. Rector /VLG
Larry J. Rector

LJR:gp
cc:

Dana F. Eddy, Esq.
Shawn L. Reed, Esq.